



## From 56-1 Report **Annual Report 2023**

**Sense of Owner**

**Performance Excellence**

**Innovation • Responsibility for Stakeholder**

**Integrity & Ethics • Teamwork**

UNION PIONEER PUBLIC CO.,LTD.  
[www.unionpioneer.co.th](http://www.unionpioneer.co.th)

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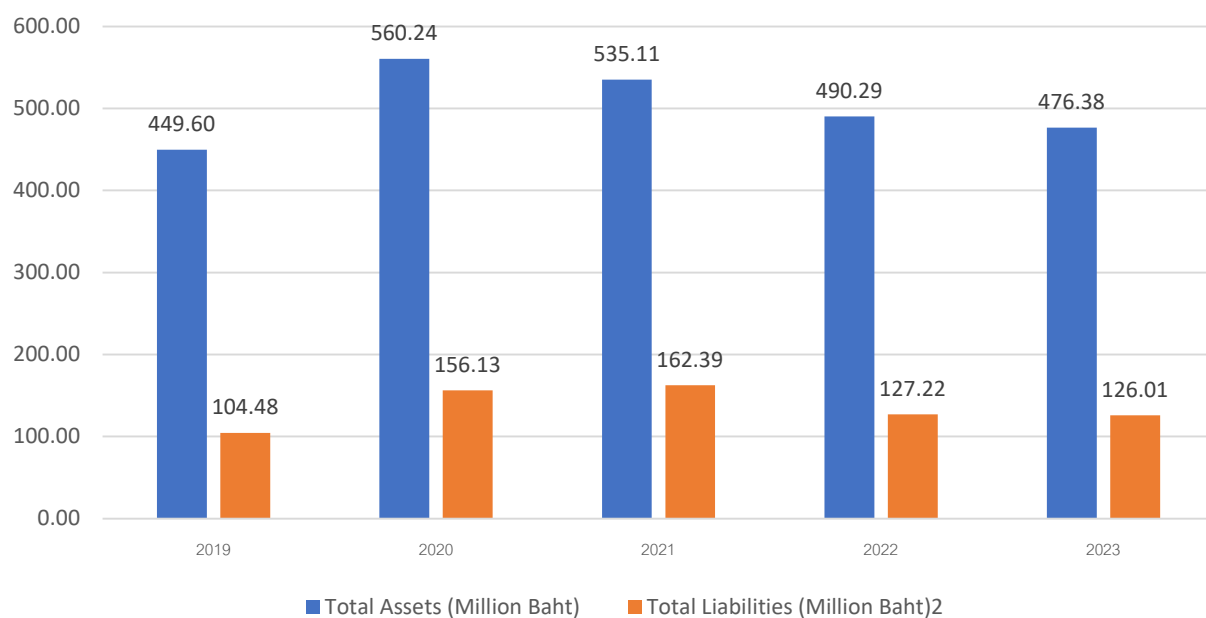
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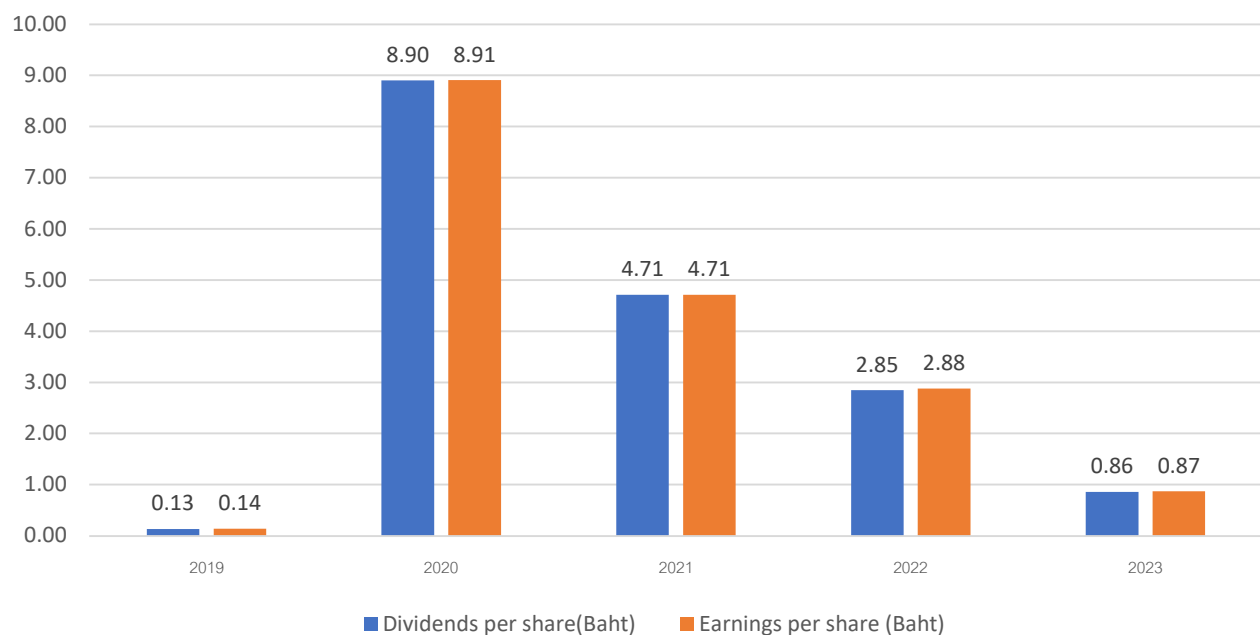
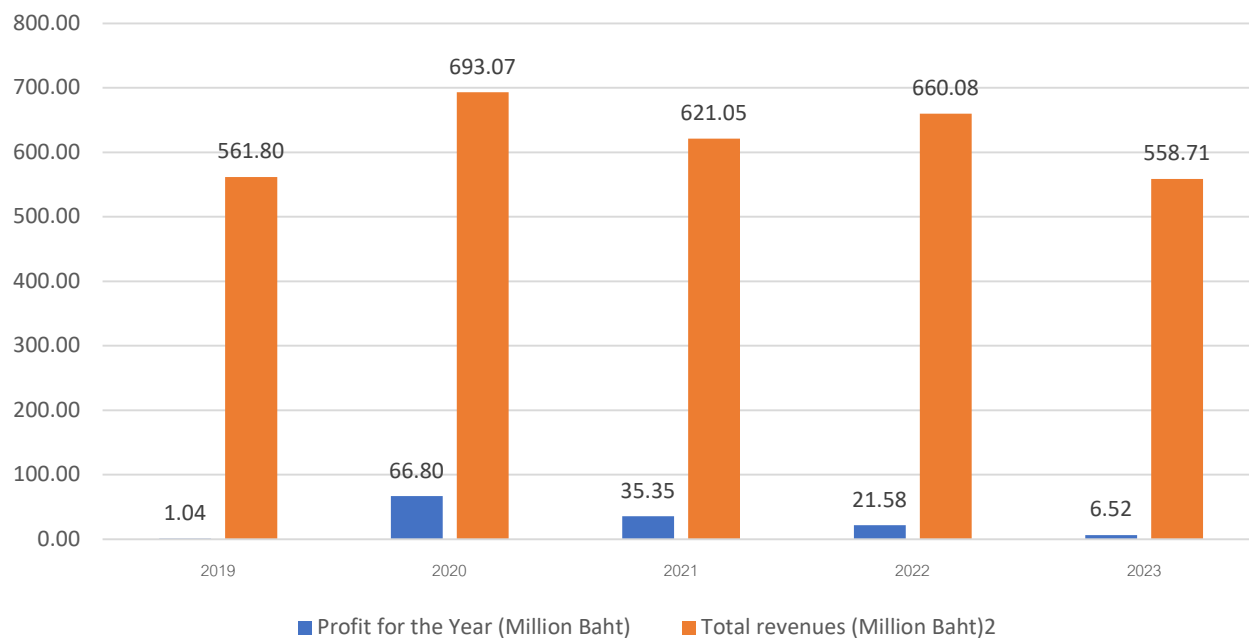
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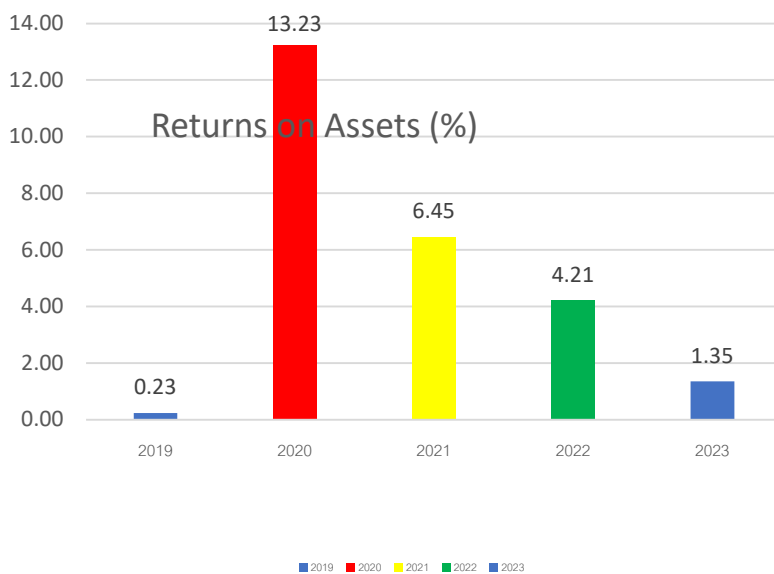
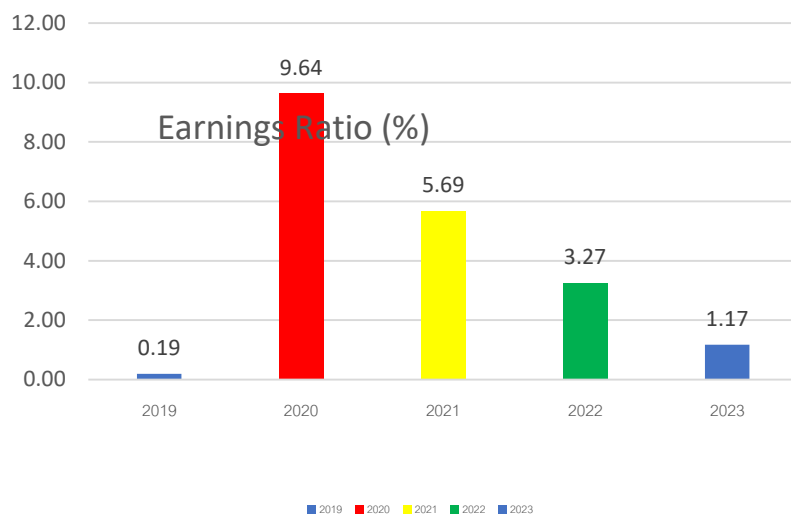
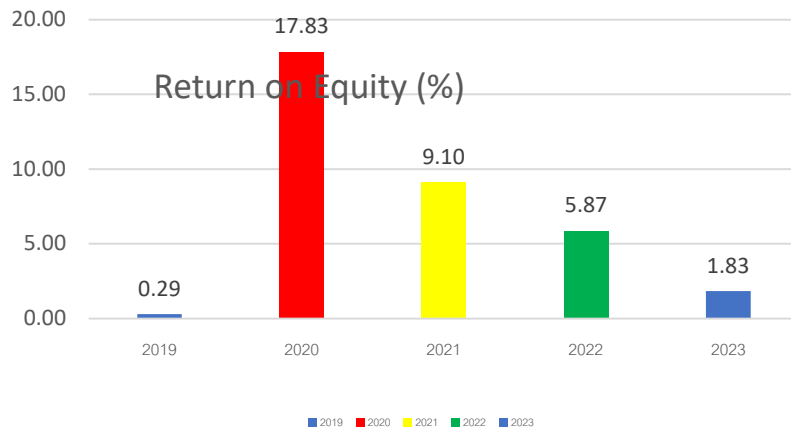
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Statement of comprehensive income	2023	2022	2021	2020	2019
Sales and service income	546,847	646,003	605,123	679,643	549,897
Other Income	11,860	14,074	15,925	13,426	11,905
Total revenues	558,707	660,077	621,048	693,069	561,802
Total Costs and Expenses	550,592	632,424	576,935	611,516	563,208
Interest Expenses	-	-	-	-	-
Finance income	975	301	389	578	776
Finance cost	(1,621)	(1,765)	(1,540)	(1,182)	-
Income Tax revenue (expenses)	(943)	(4,608)	(7,614)	14,151	(1,672)
Profit for the Year	6,525	21,581	35,348	66,798	1,042
Other comprehensive income not to be reclassified to profit or (loss) in subsequent period-net of income tax	2,159	4,100	-	(6,946)	(3,460)
Total comprehensive income for the year	8,684	25,681	35,348	59,852	(2,418)
Earnings per share (Baht)	0.87	2.88	4.71	8.91	0.14
Dividends per share (Baht)	0.86	2.85	4.71	8.90	0.13
Statement of financial position	2023	2022	2021	2020	2019
Current assets	362,431	384,197	414,406	439,655	352,682
Property, plant and equipment-net, Intangible assets	73,153	60,167	72,841	72,659	78,334
Right-of-used assets	24,422	27,480	30,537	26,237	-
Total Non-Current Assets	16,380	18,445	17,324	21,689	18,583
Total Assets	476,386	490,289	535,108	560,240	449,599

Total Liabilities	126,007	127,220	162,395	156,126	104,482
Registered, Issued and fully paid	75,000	75,000	75,000	75,000	75,000
Share premium	30,625	30,625	30,625	30,625	30,625
Retained Earnings : Allocated and Unallocated	244,753	257,444	267,088	298,489	239,492
Total Shareholders' Equity	350,378	363,069	372,713	404,114	345,117
Total Liabilities and Shareholders' equity	476,386	490,289	535,108	560,240	449,599









## Report of the Board of Directors

Global and Thai economies did not fully recover in 2023 even COVID-19 were under control due to the ongoing geopolitical tensions between countries such as the Russia-Ukraine conflict, the Israel-Hamas war and the issue in Korean peninsula that seem not to settle in a near term. From the view of domestic supply, Thai companies faced intense competition from Chinese manufacturers due to their low production cost and rising fuel price in the first half of the year. The domestic consumption was also slowdown due to consumers becoming cautious in spending and purchasing only essential items in daily life. As a result, domestic and international fabric and textile industries were affected by the stagnant economy.

Regarding the company performance in 2023, the total revenue was Baht 558.71 million, decreased from 2022 by Baht 101.37 million or 15.36%. The international sale was Baht 315.31 million, decreased from 2022 by Baht 78.41 million or 19.92%, the domestic sale was Baht 231.54 million, decreased from 2022 by Baht 20.74 million or 8.22%. The net profit was Baht 6.52 million, decreased from 2022 by Baht 15.06 million or 69.79% with the earning per share of Baht 0.87.

Looking towards 2024, there are uncertainties remaining in global and Thai economies. Volatilities and geopolitical conflicts are risks as well as the factors affecting business operation. The continuous conflicts may impact global economy in manufacturing, trade, investment and financial sectors thorough the increasing cost of production, growing impacts on supply chain and unstable confidence in business operation and investment. Considering the mentioned scenarios, the Company has prepared to face these challenges through risk management and adjustment of corporate strategy upon the dynamic circumstances. Furthermore, the Company persistently improves its products to meet customer demands and strives for better quality of services while maintaining the on-time delivery. At the same time, it diversifies suppliers and buyers, increases channels of distribution, manufactures and manages cost efficiently to gain better position in the market.

Lastly, the board of directors appreciates all contributions to the success of the Company, ranging from the shareholders, business partners to all related parties for your cordial supports on our business. The board of directors are grateful to the management team and employees for being integral and operating our business to your fullest competency. Importantly, the board of directors would like to express our gratitude to all customers

for your continuous trust on our products and services. The company determines to operate the business with honesty, transparency and auditability, complying with good corporate governance and business ethics as well as social and environmental responsibilities that are crucial for sustainable growth of the Company, bringing benefits to shareholders and delivering products with excellent quality to our customers.

A handwritten signature in blue ink, consisting of several loops and a long trailing stroke.

Miss Dalad Sapthavichaikul

Chirman



**“To be the global leader in manufacturing  
elastic rubber tape, elastic braid, and  
elastic webbing with recognized quality to  
the world market.**

## 1.1 Business Overview

UNION PIONEER PUBLIC COMPANY LIMITED

No.1, Soi Serithai 62, Khwaeng Minburi, Khet Minburi, Bangkok 10510



Homepage: [www.unionpioneer.co.th](http://www.unionpioneer.co.th)

**Initial registered capital:** 5,000,000 baht (Five million baht)

**Company limited registration no.** 1122/2516 dated October 08, 1973

**Listed on the Stock Exchange of Thailand** on April 21, 1978.

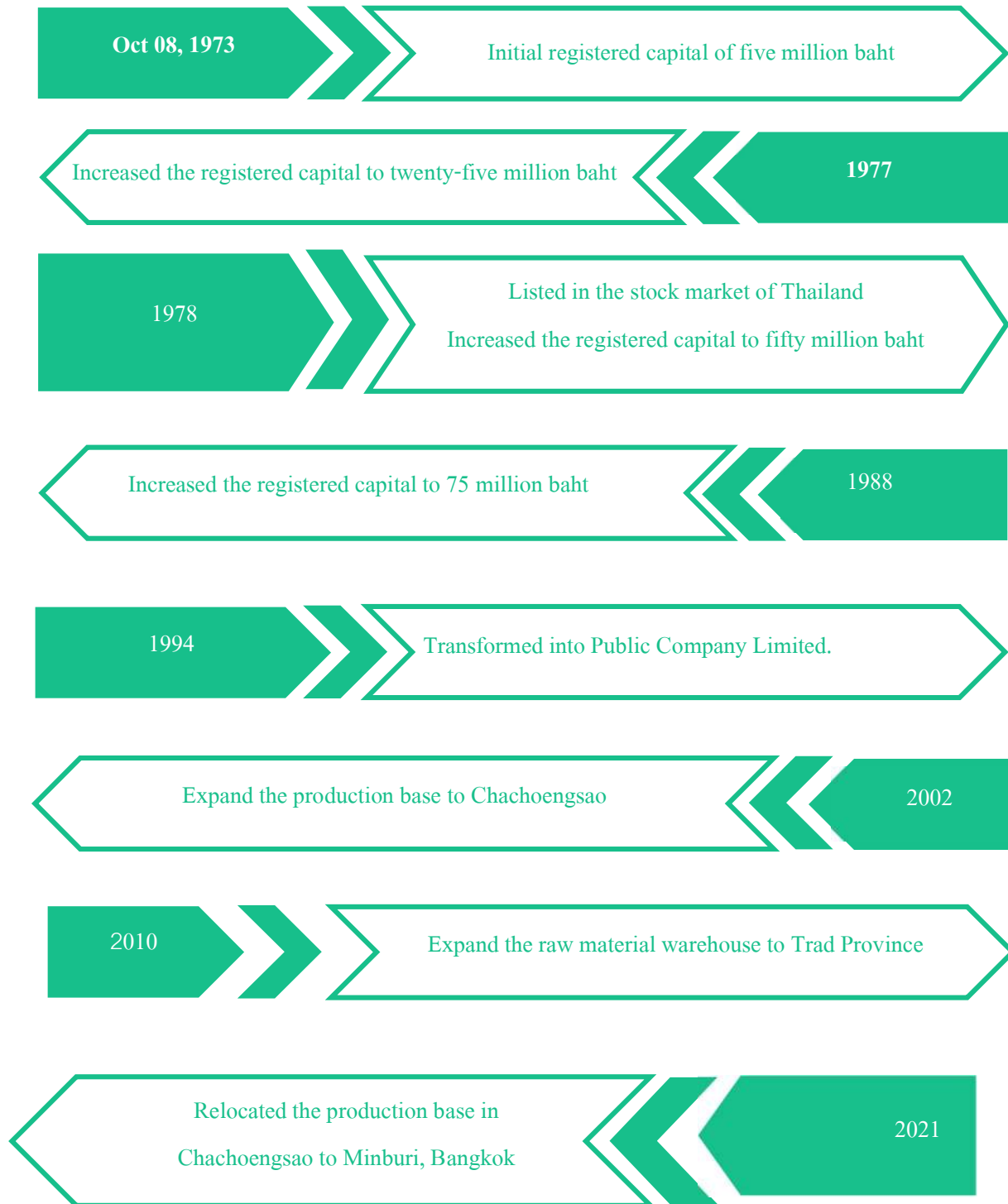
Registered as **“UNION PIONEER PUBLIC COMPANY LIMITED”** on March 30, 1994, with registration no. 0107 53700 1013 (formerly PCL.348)

Paid-up Capital: 75,000,000 baht, of which 7,500,000 ordinary shares are held with a par value of 10.00 baht per share

### **Objective:**

Operate a business in elastic rubber manufacturing such as elastic rubber tape, elastic braid, elastic webbing, elastic rubber for exercise and medical equipment.

## Major Incidents



## UPF Commit to developing good quality and safe products

In the midst of the global economic slowdown in 2023, although Thailand and the world have managed to get through the challenges posed by the COVID-19 pandemic, the global economy continued to decelerate with limited growth.

This economic downturn has resulted in a consistent contraction of Thailand's exports. Furthermore, Thailand faces intense competition from other exporting countries, particularly from China. Union Pioneer Public Company Limited must adapt to ensure the resilience and sustainability of its business in this challenging economic environment. This involves a focus on meeting customers' requirements, adding value to products, reducing production costs, social care, and creating confidence for all stakeholders for further sustainable growth.

## Vision

To be an Integrity Organization, Continuous Improvement and  
Strive for Excellence, Innovation Driven Business, Good  
Governance, Social Responsibility, Environmental Consciousness  
for Sustainable Growth.



# Mission

- 1.** Conducting business with morality, ethics, and impressing all customers by delivering quality and safe products, as well as excellent service.
- 2.** Supporting continuous developments for all human resources, Enhance working skills, knowledge, abilities also, increasing the quality of life, creating a long-term relationship.
- 3.** Driving business through technology and innovation, focus on the excellence performance in terms of quality, productivity and service as well as exploring all opportunities for continuous business expansion.
- 4.** Participate and support to improve the quality of life including, environment for society and community.

## Core Values

### **S** - Sense of owner

Performing duties with care. Protecting the company's interest by taking care of the assets, maximizing resource utilization, and not using company assets for personnel purposes.

### **P** – Performance Excellence

To achieve the objective and goal, we must perform duties with commitment, dedication and continuous self-improvement, responsible for the assigned task, apply the information technology system to work and develop business excellency with a better working method and process improvement.

## **I – Innovation**

To achieve the company goal, we should possess innovative thinking, find new market opportunities through systematic innovation and integrate new technology innovation into systems and operations.

## **R – Responsibility for Stakeholder**

Responsibility for stakeholders means taking care of all groups of interested parties, including shareholders, customers, business partners, creditors, competitors, employees, government agencies, communities, society and the environment. Considering the legal rights and agreements of all concerned parties with the company, supervise the stakeholder's benefit, prevent, rectify or remedy the direct or indirect impact of the company's operation with good corporate governance principle and carry out activities that would strengthen good relationships with each stakeholder group.

## **I – Integrity & Ethics**

To conduct business and perform duties with honesty, comply with the company's business ethic, laws and regulations, good morals, fairness, transparency, equal treatment and non-discriminatory.

## **T – Teamwork**

To perform duties with our best effort and efficiency, respect each other, provide constructive suggestions and collaborate closely in problem-solving.

## Important Policy



**Important policies are disclosed in the “Good Corporate Governance Manual”**

### **Part IV**      **Anti-Corruption policy are as follows:**

- 4.1 Anti-Corruption Policy
- 4.2 Giving or Receiving Gifts / Property/Benefit Policy Political Neutrality Policy
- 4.3 Charitable Contribution and Financial Support Policy
- 4.4 Political neutrality Policy
- 4.5 Conflict of Interest Policy
- 4.6 Government employee hiring policy
- 4.7 Reviewing and reporting performance results according to related policies.
- 4.8 Publication of Anti-Corruption Policy
- 4.9 Report clues and complaints.

- ### **Part V**
- 5.1 Quality and Environment Policy
  - 5.2 Safety and Health Policy
  - 5.3 Energy Conservation Policy
  - 5.4 Social Responsibility Policy



5.5 Anti-Drug Policy

5.6 Security Policy

5.7 Hearing Conservation Project Policy

5.8 Corporate Risk Management Policy

5.9 Information Technology System Control Policy

5.10 Human Resource Management Policy

5.11 Managing working hours and overtime Policy

5.12 Pregnant Employee Protection Policy

5.13 Communication Policy

5.14 Information Disclosure Policy

5.15 Tax policy

5.16 Use of Insider Information Policy

5.17 Personal Data Protection Policy

The Company has disclosed details of each policy on the Company's website.



## 1.2 Nature of Business

The Company's products are manufactured and distributed under the "Venus" trademark and OEM. The majority of the company's products are used as raw materials/components for different finished products, such as baby and adult diapers, garment and textile, medical devices, face masks, or other industries according to the customer's business nature.



### Elastic for Disposable Diapers

Elastic in this group is the rubber thread, used as elastic components in the rim of legs and waists for baby and adult disposable diapers. The company's rubber thread is produced from either natural rubber or synthetic rubber block with various sizes according to customer's usage and requirement.

### Elastic for Garment and Textile

Elastic is used as an apparel component to support and hold the garment in the right position, such as the rim of the legs and the waist of pants and swimwear. Elastic in this group includes rubber tape, elastic braid, elastic webbing & crochet, covering yarn and elastic for cloth facemask and disposable facemask.





### *Elastic for Medical Devices:*

- Elastic Bandage is used for protecting and treating muscle sprains and strains from routine activities and other recreations. It is widely used in the medical and sports profession.

- *Esmarch Bandages*

Esmarch bandage is used to control and exclude blood flow during surgical procedures, used primarily in minor operations on the hand and feet.

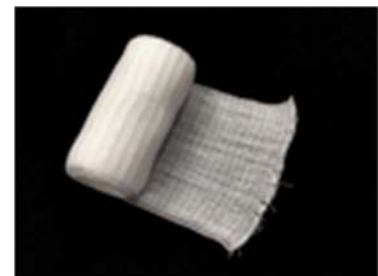


### *Tourniquet*

A tourniquet is used to wrap the arm for blood drawing for laboratory testing or blood donation, it also can be used to stop bleeding from the accident.

### *Non-sterile Conforming Bandage*

The non-sterile conforming bandage for secondary dressing application adjusts to body contours without restricting any movement.





### **Elastic Bands for Exercise and Physical Therapy.**

Resistance bands are versatile strength training tools with various levels for workouts. It is recommended by physical therapists for the patient or older adults in prescribing specific exercises for recovery. It is small, light, and handy, can be used to work out at any place.

The company's products have been certified with OEKO-TEX STANDARD 100, Quality Management System: ISO 9001:2015, Environmental Management System ISO 14001:2015, Quality management systems for Medical Devices ISO 13485:2016 and Food and Drug Administration Thailand and the United States (FDA)

### **Market and Competition**

After the supply chain crisis has resolved Cargo stuck on cargo ships has spilled into warehouses, leading to higher-than-usual inventory levels in both the United States and Europe. which is the main market in the world coupled with the inflation that is occurring around

the world As a result, product owners have delayed orders and caused the exports of producing countries to export to the American and European markets to decrease continuously from the 4th quarter of 2022 until starting to show signs of recovery in the period. of the third quarter of 2023 after product owners managed to reduce inventory levels to nearly normal levels.

From the above condition The Company's business, which has main customers in the United States, will also be greatly affected in 2023, causing the Company to urgently find new customers and markets in order to reduce the impact from shrinking customers and main markets.



### **Economic and Industrial Condition**

## **Key Competitive Strategies**

Focusing on finding new customers and markets is an important operating strategy in the face of a slowdown in customers and key markets. Developing and improving delivery times to shorten delivery times in an environment where online consumption continues to grow. This makes market changes faster. This is because market demand information can be transmitted to product owners in real time. This causes product owners to require production that can respond to changing demands in a timely manner.

Another trend that consumers around the world have become very aware of in the past year is the issue of environmental conservation. The goal of net zero greenhouse gas emissions has been widely discussed. One of the factors that consumers consider when choosing a product is that it must be environmentally friendly, both in the product itself or the production process. Many countries have begun to use tax measures to encourage product owners to focus on developing products that are more environmentally friendly in the future.

## **Customers' Characteristics**

The main customer groups of the company Most of them are manufacturers and brand owners. There is a section that produces disposable diapers, underwear, and swimsuits. Most of them are customers who have been in contact with buying and selling for a long time. and have good relationships with each other The company still attaches importance to being a part in developing together with customers. Both in the product section Delivery system including other management aspects To achieve maximum benefit in the supply chain

The Company does not depend on any one customer for more than 30% of total revenue..

## **Target Customer Segment.**

- 1) Manufacturers and brand owners of disposable diapers, underwear and swimwear.
- 2) Contract manufacturers that produce for brand owners.
- 3) Small manufacturers and consumers via company's wholesalers and retailers in domestic and foreign countries
- 4) Companies that sell medical supplies and equipment.
- 5) Face mask manufacturer.

## **Distribution**

1. The company manufactures and distributes directly to factories that have the potential in purchasing. The company also has wholesalers and retailers channels to facilitate small factories that cannot order in large quantities.
2. Our main export markets are the America, Asia, and Europe.



## **Industry Trend and Competitive Condition 2023**

In the future, competition will focus on rapid response to changes in market demands. The use of modern technology in the company's operations is therefore important to its ability. To compete with competitors in the market Developing the company's business operations, both in terms of products and operating processes, to respond to the trend of environmental conservation that is continuously expanding among consumers is another goal that the company must develop continuously. continuously in order to be able to compete with competitors in the market

## **Product Procurement**



Although the company's products vary in style, color, and usage, the primary raw materials are similar, such as natural rubber, synthetic rubber, rubber chemical, elastic threads, yarns, and dyes. All these raw materials have been selected from domestic and foreign production sources that possess quality and environmental management in the production process and comply with international human rights principles of fair and equitable employment.

### **Raw materials:**

The environmental issues, Russia-Ukraine war, China-Taiwan tensions and the Sri Lankan protest had the impact on the raw material sourcing of the company. The company created the reusable material project and seeking for other suppliers to lower the impact.



Regarding Natural rubber or Natural latex, it is our primary raw material used in the production process; it comes from the milky fluid in the bark of the rubber trees. The Thai government promotes rubber plantations in all regions of the country. As a result, the production volume is enough for domestic consumption and exportation.

Although natural rubber's harvest time is seasonal and prices fluctuate according to the futures market, the company can efficiently manage the cost and inventory with a natural rubber reservation policy. To prevent any shortage of natural rubber raw material, the company has the policy to procure the natural rubber from subsidiary of Saha Union group, which possess its plantation and processed factory in Trad and Chanthaburi province and other domestic manufacturers.

The company has prepared backup suppliers with domestic choices for other raw materials, especially those imported from foreign countries. As a result, the company still has sufficient raw material for production.

Proportion of domestic purchasing Year 2023 72.56 %

Proportion of foreign purchasing Year 2023 27.44 %

### **Impacts of technology changes on the material used.**

Most of the company's products are used as raw materials in the garment and textile manufacturing industry, and there are no significant changes in those technologies. But the environmental impact of greenhouse gas emissions from textile waste, agriculture, production, and transportation results in more stringent requirements on chemical and raw material standards. Garment and Apparel companies are looking for raw materials which are renewable, degradable, reusable, safe for consumers, and environmental-friendly.



The production quantity over the past three years are as follows:

Actual production quantity	Unit	2023	2022	2021
Elastic Rubber, Elastic Braid, Elastic Webbing.	Thousand Kgs	2,652	3,019	3,378

## **Product research and development**

From the COP27 conference held from 6 November until 20 November 2022 in Sharm El Sheikh, Egypt, the UNFCCC member countries agreed to focus on funding the poorer countries by the richer nations to support those poorer countries in regard with their adaptation and protection against the climate crisis. A commitment to phase down the use of coal and stop using the fossil fuels. To achieve the temperature goal to keep the rise lower than 2C compared with the industrial era and lower than 1.5C compared with the pre-industrial era in 2100 as indicated in the 2015 Paris Agreement.

As above, the company had created the product development projects as follows;

Biodegradable elastic project which is the cooperation with PETROMAT and partially funding by the Office of National Higher Education Science Research and Innovation Policy Council. The lab results revealed that the weight of elastic reduced by 70% minimum after the landfill and the mechanical properties were close to the original elastic tested. The company will start the test of the biodegradable elastic in the production line in 2024.

Square cut rubber thread to substitute the extruded round rubber thread project. The objective of this project to manage the risk of having limited number of suppliers of the extruded round rubber thread. The company currently produce the square cut rubber thread but the mechanical properties are not the same as the extruded round rubber thread since the square cut rubber thread is made of dried rubber while the extruded

round rubber thread is made of latex. The rubber thread is used for producing the elastic braid and elastic webbing. The developed square cut rubber thread is now testing in the production process of elastic braid and elastic webbing.

MBT-Free rubber project for the European market. Substances that cause mutations and cancer are the big concern in the EU market. Initial lab results revealed that the new developed rubber is free of MBT. The next step is to cooperate with the customers to test in their production line.

### **Environmental impact management.**

The company's factory is located in Bang Chan Industrial Estate, which has the requirements and laws of the Industrial Estate Authority of Thailand (“IEAT”) to control overall operations, including the environmental impact process. The company has strictly complied with industrial land usage conditions, Factory Act requirements, and ISO14001:2015 certified.

The waste products from the production process have been managed by an authorized waste management company certified by the Department of Industrial Work.

The company has estimated and controlled environmental quality by S.P.S. Consulting Service Co., Ltd., an external accredited private analytical laboratory registered and licensed by the Department of Industrial Works. The environmental measurements and collecting samples have been done to analyze the following matters: atmospheric noise levels, chimney air quality, business air quality, enterprise heat level and wastewater quality analysis. The results of the measurements are within the standards prescribed by law. The external organization that receives environmental measures will prepare a report on the company's environmental quality audit results and analysis results. The company will then submit to the relevant government agencies such as the Department of Industrial Works, the Office of Labor Protection and Welfare, etc.

The company’s business operations are not project-based or high-value piecework that takes time to deliver. Therefore, there are no jobs that haven’t been delivered.

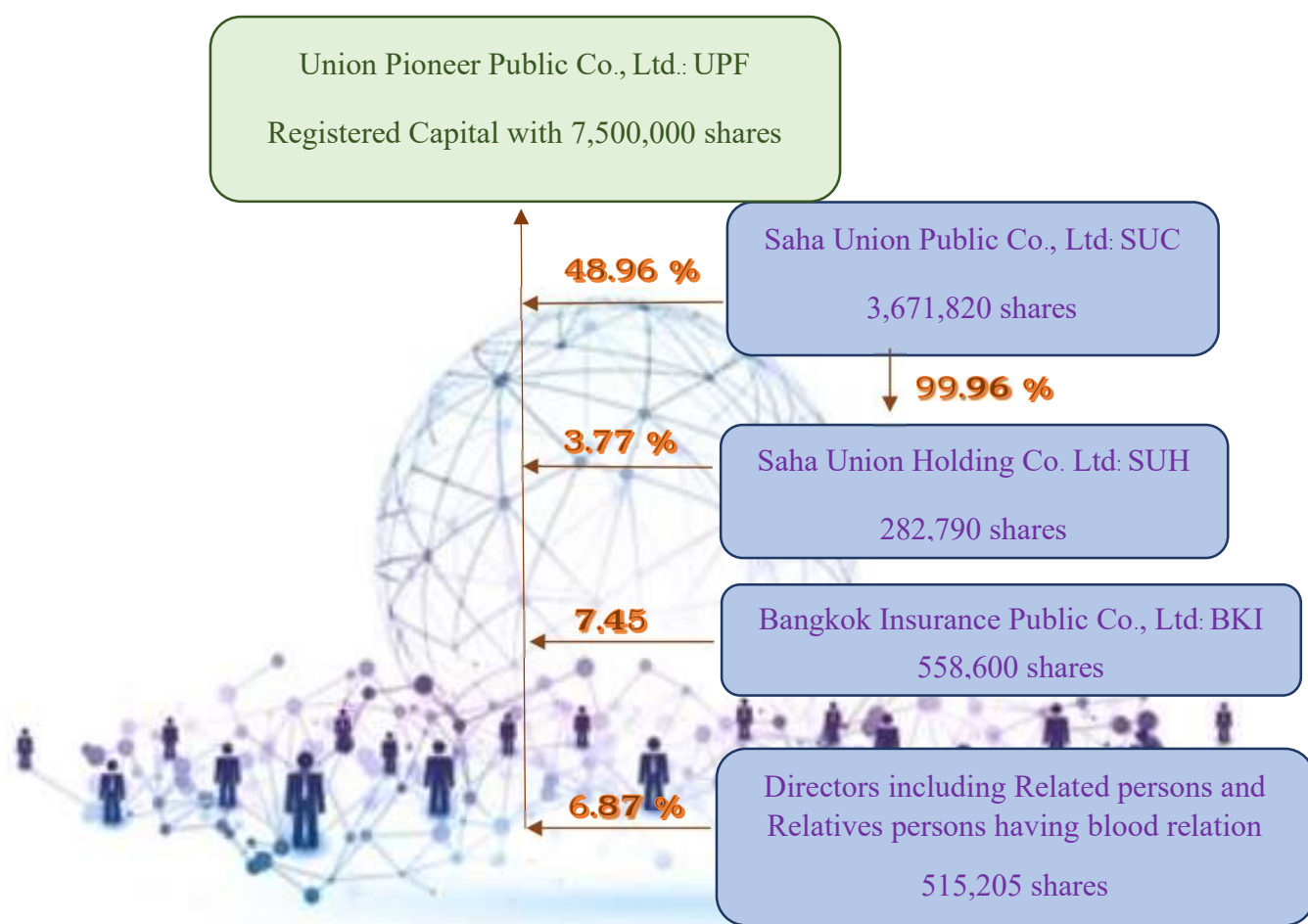
## Assets in Business Operations.

Main fixed assets as of December 31, 2023

Asset type	Ownership	Net Value (Million baht)	Obligation
1. Land 15 rai 2 ngan 72 sq.m.	Company-owned	6.17	No obligation
2 . Buildings			
2.1 Office and factory five buildings	Company-owned	3.54	No obligation
2.2 Partial land lease and factory building	Lease from Union Zojirushi Co., Ltd.	0.51	The leasing period is effective for one year.
2.3 Land lease and building for warehouse.	Lease land from Thai Rubber Enterprise Co., Ltd. Warehouse building is company-owned.	4.72	The land leasing period is effective three years.
3. Machinery and Equipment.	Company-owned	57.35	No obligation
Total 1. 2. 3.		72.29	
Intangible assets are computer programs software copyright.	Company-owned	0.35	No obligation

The company does not have subsidiaries, associates, patent assets, concession, collateral property, and any obligation. The Company does not have any business restructuring, and no new property appraisals were made during the past accounting period

## 1.3 Shareholding Structure of the Group



### Relationship with Major Shareholder and the Shareholder Information

The Company's Major shareholder is Saha-Union Public Company Limited (SUC) which holds 52.73% of the Company's shares including related persons and is located at 1828 Sukhumvit Road, Kwaeng Phra Khanong Tai, Khet Phra Khanong, Bangkok 10260

The Company has transactions with major shareholder and companies in the Saha-Union Group. Most of these transactions occurred in normal business transactions, such as purchasing-selling goods and raw materials by gathering the purchasing quantities of raw materials for better bargaining power. Such related transactions

are mainly for the best benefit of the Company with no conflict of interest. The details of the related transactions in 2021 are shown at the topic “Related Transactions”

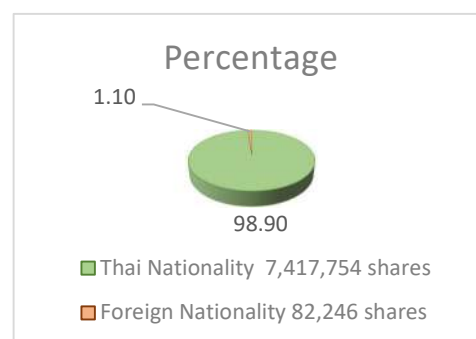
The Company has no cross-shareholding with major shareholder. There is no subsidiary company and associated company. There is no shareholding in other companies and no a pyramid shareholding structure.

For the past 3 years, there has been no significant change of Control Authority in the Company. The Company has no associated company and subsidiary.

## Capital Structure and Dividend Policy

The Company has the details of its capital structure as of December 31, 2022, as following

Registered Capital	75,000,000.00	Baht
Paid-Up Capital	75,000,000.00	Baht
Ordinary Share	7,500,000	Shares
@ Par Value	10.00	Baht



### Shareholders

The number of shareholders at the book closing date on March 29<sup>st</sup>, 2024.

### Proportion of ordinary shares held by Non-Strategic Shareholder

on the book closing date equal to 19.33 % of the total issued shares of the Company

## 1.5 Other Securities Issuance

- (1) The Company does not have any convertible securities. There are no other securities which are not ordinary shares.
- (2) The Company does not issue other securities and does not offer any debt securities e.g. debentures, bill etc.

List of the top 10 major shareholders as of the book closing date

arranged by company Thailand Securities Depository Co., Ltd. as follows:

No.	Shareholders	Ultimate Shareholders	No. of Shares	% of Total Shares
1.	1.1 Saha Union Public Company Limited	Darakananda Group	3,671,820	48.96
	1.2 Saha Union Holding Company Limited	Saha Union Public Company Limited	282,790	3.77
2.	Bangkok Insurance Public Company Limited		558,600	7.45
3.	Mr. Sumate Darakananda		491,365	6.55
4.	Mr. Nithiphan Darakananda		430,075	5.73
5.	Mr. Phanut Yoothong		78,600	1.05
6.	MARUE NISSAN CO., LTD.		78,000	1.04
7.	Mr. Parinya Leamthai		71,900	0.96
8.	Mrs. Sumporn Krairerg		64,450	0.86
9.	Mr. Waranon Boonchananantakood		55,000	0.73
10.	Mr. Weerapat Poonsakudomsin		45,700	0.61

Direct and Indirect Shareholding of directors and executives, spouses, minor children as at  
December 31, with two-year comparison

Name – Surname	Position	Number of shares In 2023	Number of shares In 2024	Number of shares Increasing (Decreasing)	Shareholding %
1. Miss Dalad Sapthaivichaikul Spouse Minor child	Chairman	- - -	- - -	- - -	- - -
2 Mrs. Nuntawan Sakuntanaga Spouse Minor child	Independent director/Chairman of Audit Committee	- - -	- - -	- - -	- - -
3. . Mr. Wanchai Rattanawong Spouse Minor child	Independent director/Audit Committee/Chairman of Nomination and Remuneration	- - -	- - -	- - -	- - -
4. Mr. Nuttapon Yangyuen Spouse Minor child	Managing Director	- - -	- - -	- - -	- - -
5. Mr. Chutindhon Darakananda Spouse Minor child	Director	3,840 - -	3,840 - -	- - -	0.05 - -
6. Mrs. Chantornree Darakananda Spouse Minor child	Director	- 20,000 -	- 20,000 -	- - -	- 0.27 -

7.Mrs. SiripornLuangnual Spouse Minor child	Independent director/Audit Committee/ Nomination and Remuneration Committee	- - -	- - -	- - -	- - -
8.Mr. Prasit Asawavetvutt Spouse Minor child	Director	- - -	- - -	- - -	- - -
9. Mr. Supakit Paungbua Spouse Minor child	Director	- - -	- - -	- - -	- - -
Mr. Sikavej Sopaphan Spouse Minor child	Human Resource Manager	- - -	- - -	- - -	- - -
Mr. Wiwat Jongkonrat Spouse Minor child	Accounting & Finance Manager (who has the highest responsibility in accounting and finance)	- - -	- - -	- - -	- - -
Miss Warunee Khumtong Spouse Minor child	Quality Assurance Manager	- - -	- - -	- - -	- - -
Mr. Wanaphong Kanacharoen Spouse Minor child	Braid & Webbing Production Manager	- -	- -	- -	- -

The shareholding of the directors is both for direct ownership of shares and indirect one such as shares held by their spouse and minor children, as 0.32% (\* including related persons).

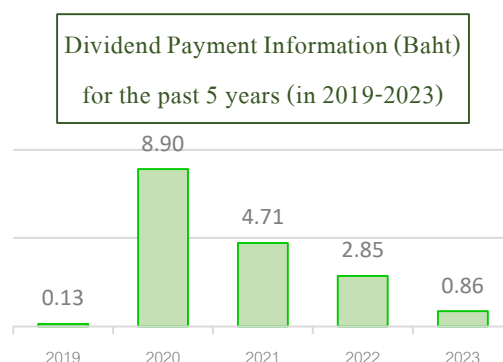
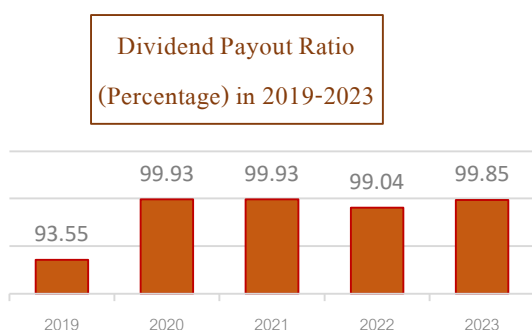


For the past year, none of the Company's directors has held more than 25 percent of the total issued shares of the Company. Moreover, the Company has measures to prevent the trading of shares using inside information in a manner that violates / does not comply with the rules of the SET and the SEC.

### 1.6 Dividend Payment Policy

“Depending on the performance of the Company, at a rate not less than 1/3 of the annual net profit, after deducted accumulated loss (if any), from the separate financial statement of the company.”

The Board of Directors’ Meeting No. 3/2023 on 15<sup>th</sup> March 2023 resolved to approve the annual dividend payment of 2022 to the Annual General Meeting of Shareholders on 19<sup>th</sup> April 2023 at the rate of 2.85 Baht per share



**Investors can learn more about the Company from;**

The Company’s annual registration statement (56-1 One



Report) can be found at SET

or at the Company’s website.

## 2.1 Risk Management



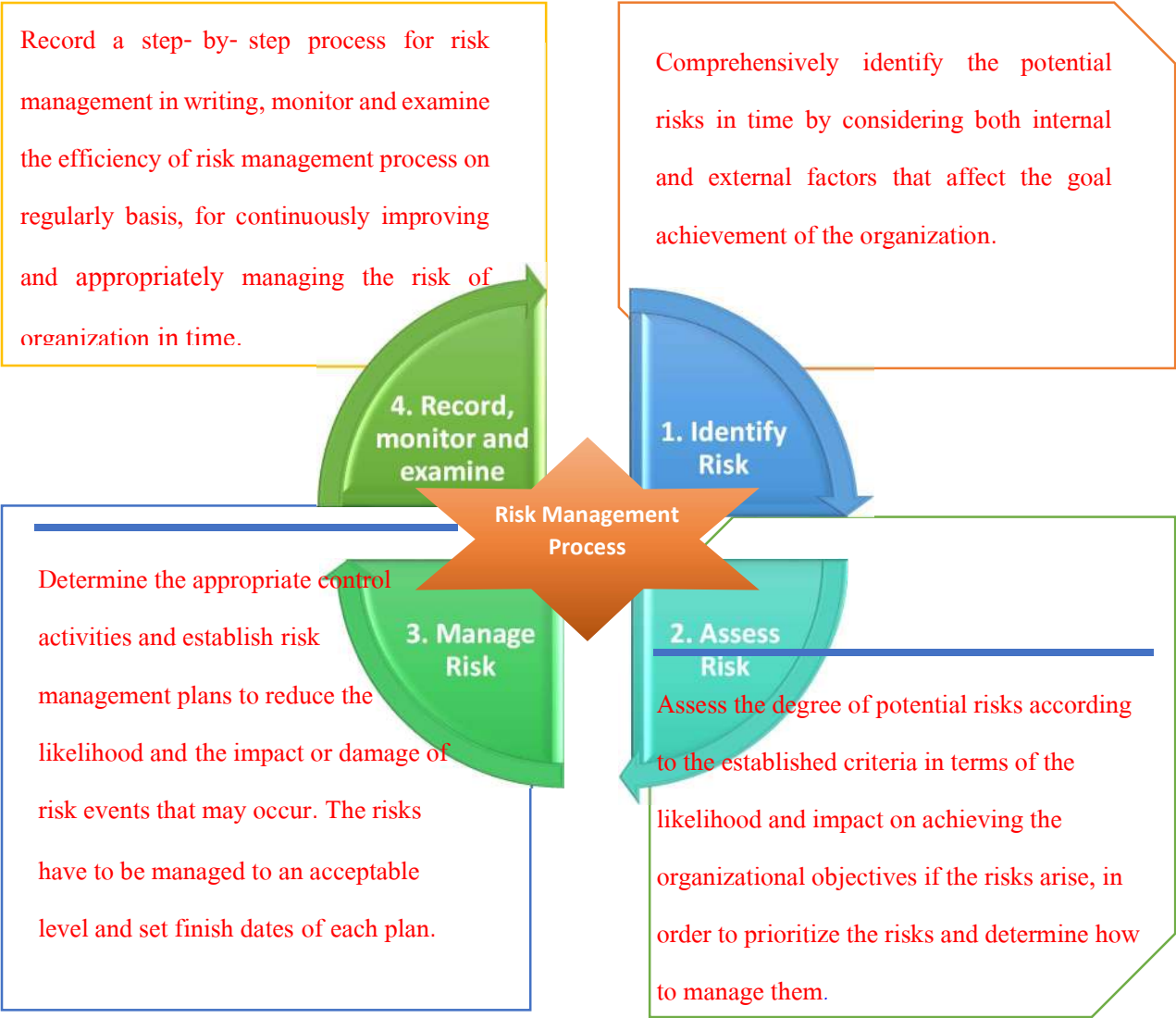
UPF realizes on the importance of sustainable risk management to have confidence in achieving goals for stakeholders. The Company uses the risk management framework according to the international standards of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) to be appropriately applied for success throughout the organization. The Company has set a risk management policy to cover all organizational activities in order to drive it as integral part of the work culture in the organization.

### **Risk Management**

Board of Directors assigned the Managing Director to appoint the Risk Management Sub-Committee for setting the measures to manage risks at a controllable and acceptable level by continuous monitoring on the effectiveness and evaluation of risk management by;

- Assigning the highest responsible person at the operational level for risk management, namely Mr. Wanaphong Kanacharoen, Braid and Webbing Production Manager.
- Assigning the highest responsible person of the internal audit of the organization by reviewing the internal control system and the risk management system, namely Mr. Natphawat Thomwan, Manager of Internal Audit Section which is independent from Risk Management Sub-Committee.

Moreover, the Company has set risk management approaches to control and manage risks effectively for driving and prioritizing the effective risk mitigation, to implement on critical risk management as well as to continuous monitor and quarterly report to the Board of Directors.



## 2.2 Business Risk Factors

### 1) Risk from Economic Conditions

In 2023, there was a global economic slowdown, a consequence of the unraveling of the supply chain crisis that occurred earlier, leading to oversupply and inflation in the United States and Europe, the main consumer markets globally. This resulted in reduced imports, affecting countries that primarily produce goods for export to the United States and Europe, including the Company, Union Pioneer Public Co., Ltd., which exports its products mainly to the United States.

Faced with these risk factors, the Company aimed to expand its market and customer base as a key strategy to mitigate the impact of the economic downturn. Additionally, strategic plans were developed to enhance efficiency in various aspects, such as reducing energy consumption and investing in research and development of new products, aiming to increase competitiveness in the global market.

### 2) Risk from Exchange Rate Fluctuations

The Company closely monitors the economic situation and various factors affecting both Thailand and the global landscape in order to plan risk mitigation strategies for minimal impact from exchange rate fluctuations. The Company applies various measures, including entering into forward contracts for foreign currency, as well as offsetting income from the same currency with expenses from a corresponding trading partner (matching). Additionally, the Company considers Foreign Currency Deposits (FCD) as an alternative for managing risks associated with exchange rate volatility. These measures enable the Company to forecast income and expenses efficiently, facilitating effective operational planning.

### **3) Risk from Natural Rubber Price Volatility**

Key factors contributing to the volatility of natural rubber prices include the imbalance of supply and demand in the global market, government policies, and changing weather conditions, which directly impact rubber production.

The Company has set risk management plans to mitigate the impact of natural rubber price volatility. This includes strategic procurement during harvesting seasons to secure the best prices and maintaining a sufficient raw material inventory for at least 6 months to prevent risks on raw material shortages and to reduce the impact of fluctuation prices.

### **4) Emergency Risk**

Last year, the situation surrounding the COVID-19 pandemic has gradually returned to normal situation globally. (The Thai Ministry of Public Health announced the cancellation on the classification of COVID-19 as a dangerous communicable disease to be monitored closely, effective on October 1, 2022) However, the Company remains cautious about the potential risks and emphasizes the importance of preventing the spread of COVID-19. The Company has communicated and enforced measures and guidelines outlined by health authorities to ensure the continuous operation of business without disruptions and to prevent business losses.

### **5) Legal Risks from Personal Data Protection Laws**

Since 2022, Thailand has enacted the “Personal Data Protection Act” (PDPA). The Company has formulated practices considering operations related to personal data of all stakeholders to comply with the established law. This includes informing employees about privacy policies, obtaining consent for data usage, collecting and storing data only as necessary under the applicable laws and managing data responsibly, such as

- Notification of Privacy Policy
- Requesting permission to use information according to the rights of the data subject
- Collection of user data only as necessary under applicable legal regulations in Thailand.

- Implementation/Transfer
- Managing when data leakage
- Data destruction, etc.

## **6) Risk from Climate Change**

Nowadays, the global focus on environmental conservation emphasizes the importance of activities impacting climate changes. The Company realizes on this importance and has conducted risk assessments, implementing various measures to align with laws and regulations related to greenhouse gas reduction mechanisms. These measures include transitioning to alternative energy sources for production, such as solar energy, not only to reduce greenhouse gas emissions but also to lower energy costs. This aligns with the Company's sustainability goals and ensures sustainable business operations.

## Driving Sustainable Business

Throughout the 50 years of operating the business, the company has focused on ensuring its stability and emphasized its responsibility towards society and the environment. Therefore, the company has implemented various activities to create sustainability in all aspects. The company has set a goal to be carbon neutral by 2030 through the project of reducing carbon emissions from its activities, compensating for carbon, and promoting carbon capture.

In 2023, the company evaluated its carbon footprint for the organization (CFO) and was certified by the Thailand Greenhouse Gas Management Organization (TGO). This enabled the company to identify significant greenhouse gas-emitting activities, which led to better management and development for more efficient energy conservation, as well as reducing greenhouse gas emissions. This also helped in reducing production costs.

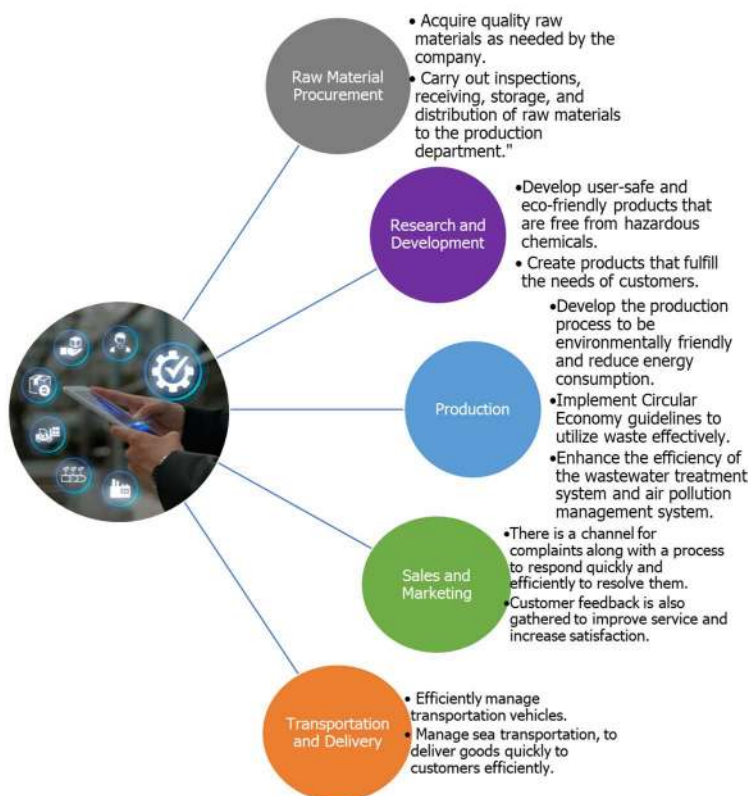
### 3.1 Sustainable Management Goals and Policy

The company is committed to operating the business sustainably and efficiently, ensuring its growth is also accompanied by social and environmental responsibility. The company has set objectives and goals in all processes to prevent and reduce the impact on society and the environment. The company also considers the needs of other stakeholders and provides appropriate care. The company manages for sustainability with the principle of the new era of business, which aims to achieve the Triple Bottom Line, consisting of profit, people, and the planet. The company also integrates the Sustainable Development Goals (SDGs) as a guideline for setting its goals.



## 3.2 Managing the Impact on Stakeholders in the Value Chain of the Business

The company prioritizes its value chain and stakeholders, ensuring a well-managed process with environmental, social, and economic impact management, and promoting good governance throughout the product and service lifecycle.

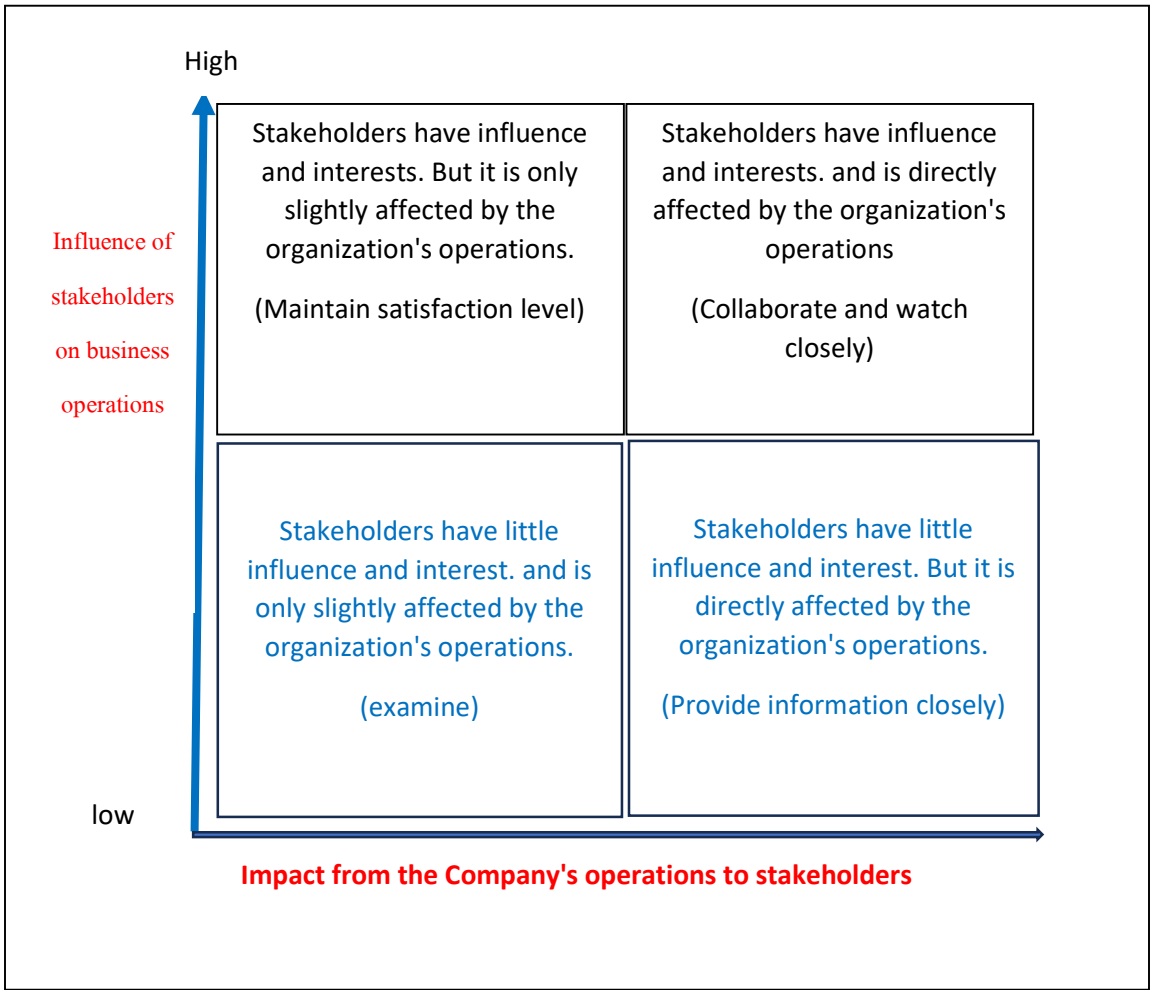


### Participation of stakeholders in the value chain of the business.

The stakeholders affected by the company are divided into six groups, along with approaches to respond to their expectations, communication channels, and participation of each group. The company operates its business based on ethical principles, respects the rights of all stakeholder groups, and strengthens cooperation according to each group's roles and responsibilities. The company considers the impact, whether positive, negative, direct, or indirect, in order to create equal satisfaction for all stakeholder groups.



The company evaluates all 6 groups of stakeholders using a 4x4 matrix stakeholder assessment table.



It has established guidelines for identifying and prioritizing stakeholders. Response to expectations and preparing communication plans and stakeholder participation as appropriate. for consistent implementation  
Going in the same direction throughout the organization

The table below shows the six stakeholder groups and their approaches to responding to expectations, communication channels, and participation.

Stakeholders	Expectation	Expectation Management	Communication and Engagement channels
<b>Shareholders</b>	<ol style="list-style-type: none"> <li>1. Good corporate governance</li> <li>2. Protection of rights and equality.</li> <li>3. Equal Treatment of Shareholders</li> <li>4. Good and consistent return on investment.</li> <li>5. Good business operating performance and sustainable business operation.</li> <li>6. Careful risk management</li> <li>7. Transparency of information</li> </ol>	<ol style="list-style-type: none"> <li>1. The company operates the business with good corporate governance principles.</li> <li>2. The company promotes and facilitates the exercise of shareholder rights.</li> <li>3. The company is aware of and gives importance to basic shareholder's rights.</li> <li>4. The company treats shareholders equally and fairly.</li> <li>5. The company pays dividends appropriately and consistently according to the actual performance.</li> <li>6. The company operates the business with sustainable management principles.</li> <li>7. The company manages risk with comprehensive aspects appropriately.</li> </ol> <p>The company discloses transparent, reliable, accurate, and complete information for decision-making.</p>	<ol style="list-style-type: none"> <li>1. The company hosts the annual general meeting of the shareholders.</li> <li>2. The company discloses information through the Stock Exchange of Thailand system and the company website. Website: <a href="http://www.unionpioneer.co.th">www.unionpioneer.co.th</a></li> <li>3. The company has assigned a person in charge of Investor relations to answer the inquiries.</li> </ol> <p>The company reports the quarterly and annual performance results.</p>
<b>Customer/Consumer</b>	<ol style="list-style-type: none"> <li>1. Supply products in variety, meet customer needs, are safe and high quality, and have a reasonable shelf-life.</li> </ol>	<ol style="list-style-type: none"> <li>1. The company produces quality products up to the standard, which concerns consumer safety and after-sales service.</li> </ol>	<ol style="list-style-type: none"> <li>1. Visits customers to introduce new product series and listen to customers' needs and suggestions.</li> </ol>

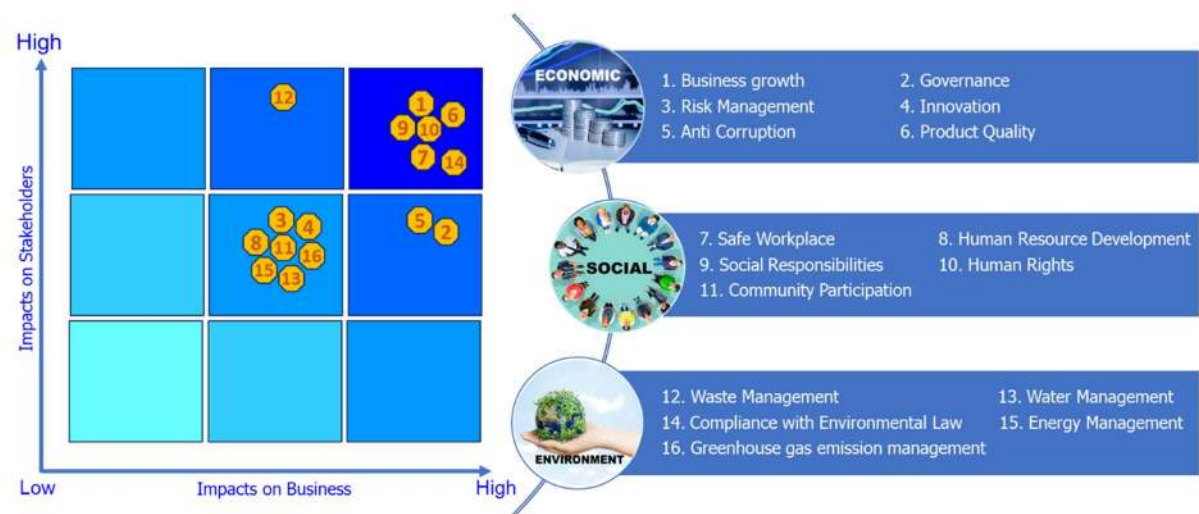
	2. Products are produced with social and environmental responsibility concerns. 3. Ease of access through a  4. variety of distribution channels 5. Availability and speedy supply of products. 6. Proper price 7. Customer confidentiality 8. Service readiness before, during, and after product delivery. 9. Operate business with integrity, transparency, fairness, and no corruption.	2. The company uses eco-friendly raw materials in production. 3. The company has a customer complaint channel and corrective action procedure. 4. The company operates with integrity and fairness and does not violate customer/consumer rights. 5. The company does not receive bribes in any form, directly or indirectly, from the customers.	2. Conduct a customer satisfaction survey. 3. Organize activities and events to reach customers such as Trade  4. \Exhibition 5. Have a concise channel to handle customer complaints and suggestions. 6. Being able to reach company and product information at the Website: <a href="http://www.unionpioneer.co.th">www.unionpioneer.co.th</a> 7. Report quarterly and annual performance on the website
<b>Trade partners/ Creditors</b>	1. Fair Trade 2. Equitable Treatment. 3. Good governance management 4. Sustainable supply chain management 5. Ability to support business operations. 6. Collaborate with partners in product development. 7. On-time debt settlement. 8. Strictly comply with the terms of the contract. 9. Operate business with integrity, transparency, fairness, and no corruption.	1. The company treats trade partners/creditors fairly and equally. 2. The company cooperates with trade partners/creditors who comply with production and safety standards and are environmentally friendly. 3. The company keeps the confidentiality or trade information of business partners and creditors. 4. The company develops mutual understanding and relationships in exchanging information and collaborates to value-added product development. 5. The company does not accept any benefits other than those stipulated in the agreement.	1. The company communicates and brainstorms for constructive product development. 2. The company visits trade partners to listen to comments and suggestions. 3. The company provides an anti-corruption policy to trade partners. 4. The company conducts a supplier satisfaction survey (twice a year). 5. The company reports quarterly and annual

		6. The company complies with the agreement and settles the debt as specified.	performance on the website.
<b>Competitors</b>	1. Operate business and compete with transparency, fairness, and according to the rules.	1. The company operates businesses with integrity and fair competition. 2. The company does not destroy competitors' reputations by slander. 3. The company does not violate intellectual property/copyrights. 4. The company does not solicit competitors' secrets with an inappropriate and unethical method.	1. Being members' associations related to the rubber industry.
<b>Employees</b>	1. Fair compensation and compliance with the economic situation. 2. Good labor practice. 3. Career opportunity and advancement. 4. Capability and knowledge development for job improvement and life enhancement. 5. Safe workplace environment. 6. Work-Life balance	1. The company provides compensation appropriate to relevant knowledge and skills. 2. The company values employees with equal treatment and no discrimination at all levels. 3. The company promotes the knowledge and skill development of employees. 4. The company promotes a happy, healthy and safe working environment. 5. The company respects human rights, the fundamental right of not disclosing employees' data to unrelated parties. 6. The company provides communication channels to employees for suggestions and complaints related to work.	1.
<b>Community, Social and Environment</b>	1. Operate a business that does not affect the community or manage impacts resulting from business. 2. Manage waste products from business operations efficiently. 3. Participate in community activities.	1. The company regularly organizes activities to establish understanding and trust with the community. 2. The company has preventive and corrective measures to manage the operational impacts that affect the community.	1. Community Relation Activities (participation in community activities) 2. Website: <a href="http://www.unionpioneer.co.th">www.unionpioneer.co.th</a> 3. The company reports quarterly and annual performance on the website 4. Factory visit.

	4. Comply with law and regulation.	3. The company administers the environmental management system to be consistently effective. Control the environmental measurement result following the rules and regulations.	5. Annual inspection and measurement.
		4. The company promotes and educates employees' awareness of environmental protection.	6. Telephone and Email
		5. The company supports environment and energy conservation activities by producing and consuming eco-friendly products.	7. Complaint Channel.
<b>Government Sector/ Regulator Agencies</b>	1. Comply with relevant laws and regulations. 2. Cooperate and support public activities. 3. Conduct business with ethics and transparency. can be verified for sustainable growth.	1. Comply with the laws and Regulations related to conducting business properly and transparently. 2. Cooperation in the field of CSR 3. Supervise the organization's business operations to comply with rules, regulations, and ethics.	1. Meeting, talking and explaining. 2. Visiting the company. 3. Participating in government activities 4. Assessment of Corporate Governance. 5. Being a member of the Thai Private Sector Anti-Corruption Coalition (CAC)

# Priority Assessment.

To manage sustainable development effectively and efficiently, the company has conducted a 2022 sustainability assessment covering opportunities and risks in three dimensions: economic, social and environmental, with a summary as below:



### 3.3 Conduct Business according to the Principles of Corporate Governance

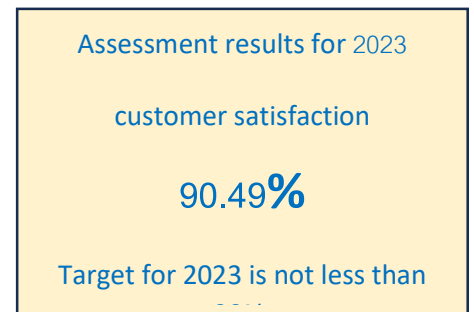
The company has been conducting business with fairness, honesty, transparency and responsibility to all stakeholders in accordance with good corporate governance principles and business ethics, which is a solid foundation for sustainable business development. The company has informed our business partners of the “Good corporate governance” and “Anti-Corruption policy. The company also encourages suppliers to conduct an initial self-assessment according to the guidelines in the manual on an annual basis.

In 2023, the Company participated in the SET ESG Rating with the Stock Exchange of Thailand, the assessment score is rated "BBB".



### Deliver good quality and safe products to customers

The company has committed to producing consistent quality elastic products from the beginning of the raw material selection and stringent production process, aiming to reduce customer complaints and increase customer satisfaction.



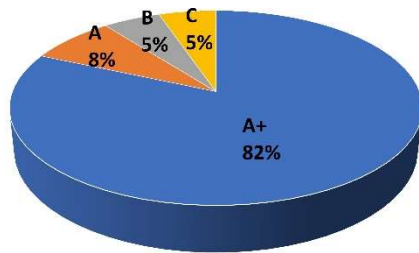
The company also pays attention to the issue of safety for users by using only materials and chemicals that do not contain hazardous substances. The company has sent samples of three product categories, including elastic rubber tape and thread, elastic braid and elastic webbing, to test OEKO-TEX STANDARD 100 CLASS I and confirmed all three types of products are free from residues that affect babies, which is the most stringent required level.

## Collaborate with Business Partner in Potential Development.

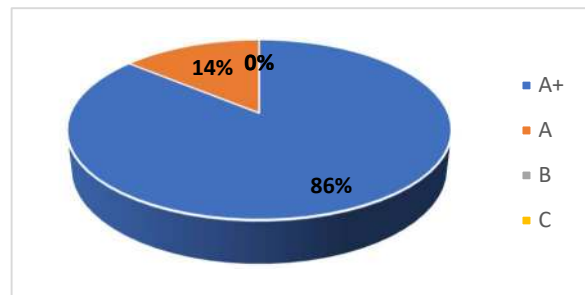
The company's proficiency is enhanced by a good quality raw material supply, reasonable price and on-time delivery. The company treats suppliers equally with partner assessment under three dimensions: quality/service, delivery, and environment. The company evaluates trade partners twice a year and then grades A+, A, B, and C accordingly. Trade partners who do not meet the criteria will receive a C grade, and the company will review and visit partners who got C grades for two consecutive years to get the solution.

Building good relationships with trade partners is important in supply chain management. However, the operation and transaction must be honest, transparent, and consistent with business ethics and regulations stipulated by law.

Trade Partners' Performance  
Evaluation result (1<sup>st</sup> round)



Trade Partners' Performance  
Evaluation result (2<sup>nd</sup> round)





## Build Product Strengths with Innovation to Meet Customer Needs

Innovative Product Development would drive the company to be more competitive and sustainable in the long run. The company has cooperated with outside institutes, such as the National Metal and Materials Technology Center (MTEC) and Petrochemical and Material Technology (PETROMAT), for new product development.

1

Safety organizational culture



2

Human resource



3

Respect human rights



4

Citizen role and social responsibility



Code of Conduct is a key component that the company has always adhered to in operating business. To treat all stakeholders equally, the company has established social and labor policies to be in line with international standards by respecting international human rights principles throughout the business chain, giving importance to employee care and fair labor treatment, producing quality products that are safe for users, as well as promoting the employment of underprivileged workers and contributing to the development of communities and society. At the same time, the company also focuses on research and development in innovative products and production processes.

## Organizational Safety Culture

The company has realized the importance of life safety issues. It has created an “Organizational safety culture” for all stakeholders by dividing them into three groups namely employees, community and society, and consumers, with care guidelines set out as follows:



### “Workplace Safety”

Employees play a crucial role in driving the organization towards improved work processes and the continuous research and development of product quality to fulfill customer needs. Recognizing the significance of safety, the company has implemented measures to ensure employee safety. This includes equipping employees at all levels with fundamental knowledge of safe work practices and fostering a culture of vigilance toward their own safety during work. The company provides and encourages the constant use of personal protective equipment (PPE) and evaluates job site risks to establish safety guidelines and precautions for employees. The Company's 2023 objective is to achieve a "zero" level of accidents causing more than three days of absence from work. In the event of an employee accident, safety officers collaborate with accident agencies to conduct thorough investigations and analyses to identify the causes and develop



preventive measures. Furthermore, they provide safety training programs to enhance employees' awareness and knowledge of safe work practices, ensuring a safer working environment.



To anticipate and avert unforeseen emergencies, the company conducts fire evacuation drills and provides basic firefighting and first aid training to enhance employees' ability to manage fire-related incidents in factories and dormitories. This ensures that employees possess the necessary skills and knowledge to effectively respond during emergencies, safeguard their lives, assist colleagues in need, and protect company assets



## “Community and Social Safety”

The operations of industrial businesses have a substantial influence on communities, society, and the environment, either directly or indirectly. The company has formulated plans to prioritize maintenance and monitoring of "air quality" treatment equipment, as well as keeping a check on weather conditions in the operational area, boiler chimneys, and vacuum cleaners, to ensure that the air released into the environment does not affect the weather or the local environment. Furthermore, the company has scheduled biannual audits to proactively identify and implement preventative measures if air pollution levels surpass the standard thresholds.

**"Water Quality"** The Company is aware that the source of treated water being discharged into the public supply is important to the natural ecosystem. The company mandates the regular monitoring of effluent quality on a monthly basis and the yearly evaluation of groundwater quality.

**"Soil Quality"** The company conducts soil contamination assessments triennially to ensure that its operations do not cause pollution or harm the community and society.

In 2023, both air and water met the standard environmental measurements.



## **"Consumer Safety"**

The company maintains an ongoing commitment to innovation and enhancing product quality with a focus on providing consumers with safe products as part of its dedication to sustainability.

Currently, the company is actively engaged in research, quality improvement, and developing new innovations to ensure user safety and address customer requirements. Collaboration with Mahidol University and Chulalongkorn University for continuous product research and development is underway. Furthermore, the company conducts tests on product safety and

non-irritation, including being certified by OEKO-TEX (Switzerland) that our products are even safe for baby skin.



### 3.4 Human Resource Management



#### **“Find joy in work, Embrace learning skills and prioritize safety**

The company values employees as key contributors to crucial drivers in sustaining its business operations. We believe that a happy workforce leads to better productivity. Therefore, we prioritize creating a cheerful and safe work environment to promote work potential and improve the overall quality of life for our employees. Our aim is to enable a work-life balance for our employees, ensuring their well-being and creating a positive work atmosphere.



#### **“Knowledge Desire and Skill Enhancement**

Promoting working skills enables the employee to consistently improve their working systems and progress within their respective career fields. Through the company's employee development initiatives, individuals can gain knowledge from training and work experience, and every employee is afforded equal opportunities for growth in their specific job roles.

## 2023 Training Statistics



## Key Performance Indicator (KPIs) 2023

**2<sup>nd</sup> target:** Training hours not less than 15.5 hours per employee per year.

**1<sup>st</sup> target:** The percentage of non-repeat employees receiving training is 40% per average of all employees.

**2<sup>nd</sup> target:** Training hours not less than 18 hours per employee per year.



### “Aiming for Safety”

The company is dedicated to promoting safety in the workplace and has committed to establishing a culture of safety. To achieve this, the company has announced a safety policy that serves as a guideline for implementing safety measures in the workplace. The company encourages its employees to be aware of and learn how to work safely. In addition, a work safety manual has been created as a practice and guideline to prevent employees from accidents at work.



## Respect Human Rights



Employees should have the fundamental right and freedom to lead their lives. It is imperative for companies to prioritize the happiness and well-being of their employees. Upholding the basic human rights of all individuals in their interactions is essential, guided by international human rights principles of mutual respect, dignity, freedom, and equality. Businesses must be vigilant in ensuring that their operations and supply chain activities do not infringe upon or jeopardize the human rights of their employees or stakeholders, either directly or indirectly, and must be prepared to provide necessary protection and remedies in accordance with human rights standards.



The company respects the rights and freedoms of all employees, ensuring equality and non-discrimination based on gender, ethnicity, skin color, age, sexual orientation, gender expression, race or national origin, disability, pregnancy, religion, political affiliation, marital status, or any congenital condition.



### 3.5 Citizen Role and Social Responsibility.

The company is regarded as a member of society and must conform to rules and regulations for coexistence. It is vital for the company to demonstrate a strong commitment to good governance through transparent operations and monitoring at all levels. The company has segmented its social responsibility initiatives into four categories, namely:

**"Employee Wellbeing"** - This is crucial for cultivating social responsibility within the company, as employees are resources in driving the organization. Providing equal opportunities for career development and ensuring a safe and hygienic working environment are key aspects of this initiative.

**"Enhancing Environmental Activities"** - The company recognizes the growing deterioration of the natural environment and the impact of climate change. In response, the company aims to improve employee knowledge and awareness of environmental conservation, such as reducing waste, promoting green spaces by planting trees on company premises and collaborating with external partners to improve our environmental footprint.

**"Religious Support"** - The company recognizes the importance of religion in employees' lives by encouraging participation in community activities, particularly on important Buddhist occasions. The company also provides designated prayer rooms for Muslim employees.

**"Community Volunteer"** – This initiative aligns with the principle of giving back to society, the company allocates an annual budget for social welfare activities. Furthermore, it fosters a spirit of generosity among employees by encouraging them to contribute through gifting, donations, and voluntary engagements within the community.





**Support teaching equipment on Children's Day for communities and educational institutions in the Minburi area**



**Provide water bottle caps and aluminum cans to create prosthetic legs for the Pollution Control Department.**



**Donate used calendars as braille teaching materials to the Foundation for the Blind of Thailand.**







**World Environment Day Activities Pour EM water,  
maintain water condition in front of Saha Union Group  
Bang Chan and Khlong Saen Saep**



**Plant trees in an activity to save the world and reduce  
plastic at the area in Bang Chan Industrial Estate.**

**Enhance greenery by planting trees along the fence at Saha Union  
group. Bang Chan District.**



**Donate nursing beds to Bangchan Housing Community  
At Bangchan Community Health Center**





**Donate money for purchasing an oxygen flow rate controller for Nopparat Rajathani Hospital.**



**Volunteers plant trees to expand green areas and mitigate global warming in front of Saha Union Group, Bang Chan District.**



**Volunteers plant trees to expand green areas and mitigate global warming in front of Saha Union group (Sriracha district)**



**Provide FIT band to support the award presentations at the Red Cross 2023 event hosted by The Federation of Thai Industries.**



Industrial plant manufacturing operations will inevitably result in high electricity consumption and increased energy expenses. In 2023, the company invested in sustainable energy sources, particularly solar power, to reduce electricity usage and decrease greenhouse gas emissions by installing solar panels on the rooftop.

In today's world, there is an increasing global focus on environmental conservation in response to climate change caused by human activities. This includes non-biodegradable waste production, vehicle emissions, industrial pollutants, and deforestation. As a result, companies are prioritizing environmental stewardship and implementing measures such as waste reduction, wastewater treatment, pollution minimization, and creating green spaces on their premises.

The industrial plant manufacturing operations need high electricity consumption and increased energy expenses. In 2023, the company invested in sustainable energy sources, particularly solar power, to reduce electricity usage and decrease greenhouse gas emissions by installing solar panels on the rooftop.



Industrial facilities have both direct and indirect effects on local communities and the environment. To minimize such influences, the company has introduced a comprehensive quality and environmental policy and an energy conservation policy to ensure consistent practices and standards across the organization. Furthermore, the company is dedicated to transforming its production processes into an environmentally friendly green industry, focusing on enhancing and refining these processes to minimize waste. The company also aims to regulate and enhance wastewater treatment systems before it is discharged into public water sources. Additionally, efforts are being made to reduce the release of pollutants and greenhouse gases from various company activities.



At present, industrial facilities have both direct and indirect impacts on local communities and the environment. To minimize these influences, the company has implemented a comprehensive quality and environmental policy and an energy conservation policy to ensure consistent practices and standards. The company is dedicated to transitioning its production processes into an eco-friendly green industry, focusing on refining processes to minimize waste. Enhanced wastewater treatment systems are being developed to maintain the quality of discharged wastewater, while efforts are being made to reduce the release of pollutants and greenhouse gases from company activities.

In 2023, the Company finalized a Carbon Footprint for Organization (CFO) evaluation for 2022 and obtained certification from the Thailand Greenhouse Gas Management Organization (Public Organization). 2022 will be used as the reference year to set targets for reducing greenhouse gas emissions, with the aim of achieving carbon neutrality by 2030.

Energy Usage	Unit	Assessment Result Year 2022
Greenhouse gas emission amount Scope 1	Tons carbon dioxide equivalent (tonCO <sub>2</sub> e)	2,364
Greenhouse gas emission amount Scope 2	Tons carbon dioxide equivalent (tonCO <sub>2</sub> e)	3,235
Greenhouse gas emission amount Scope 1+2	Tons carbon dioxide equivalent (tonCO <sub>2</sub> e)	5,599
Greenhouse gas emission amount Scope 3	Tons carbon dioxide equivalent (tonCO <sub>2</sub> e)	9,772

The company has taken steps to support domestic greenhouse gas reduction projects. To become a low-carbon society in the future, 560 tons of carbon dioxide equivalent (Scope 1+2) were offset from the Naresuan Hydropower Project. The company has also joined the greenhouse gas reduction network with the Industrial Estate Authority of Thailand. These actions demonstrate the company's commitment to becoming a carbon-neutral organization by 2030.



En



Activit



### 1. “UPF aims to “Plastic reduction and Plastic Free”.



The company has launched a campaign to minimize the use of plastic, aiming to reduce waste within the facility and encourage the use of cloth bags instead of plastic bags. Additionally, the company promotes a "Plastic-Free" campaign to its employees by adopting sustainable alternatives such as reusable food containers, bottles, and more.

### 2. “Solar Energy, one of the most promising sources of clean energy”.

Electricity and other sources of energy are crucial for the manufacturing industry. In 2023, our company initiated a Solar Rooftop project by installing solar panels on the factory roof. This project generated clean energy, reduced greenhouse gas emissions, and helped minimize our impact on the global climate.



### 3 . “ Conserve Energy for a Sustainable World”



The primary concern for industrial facilities is the adverse effects of wastewater discharge, air pollution, and waste from factory activities on the environment. To mitigate these impacts, the company is increasing employee awareness and implementing measures such as efficient energy usage, altering energy sources, and enhancing machinery to be more environmentally friendly during the production process.



The primary concern for industrial facilities is the adverse effects of wastewater discharge, air pollution, and waste from factory activities on the environment. To mitigate these impacts, the company is increasing employee awareness and implementing measures such as efficient energy usage, altering energy sources, and enhancing machinery to be more environmentally friendly during the production process.

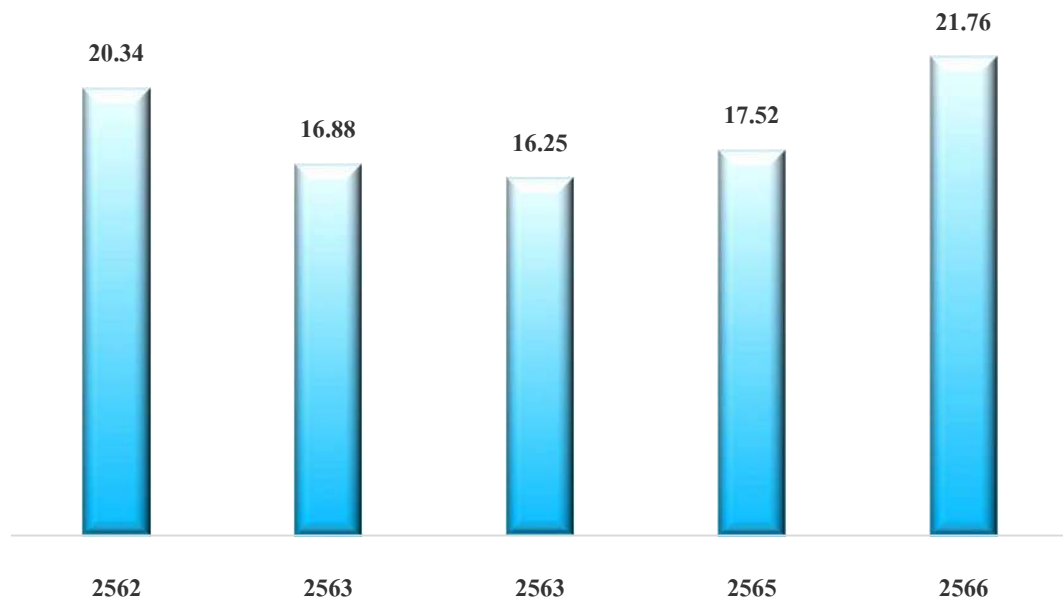
## “Water” Management”



Industrial production processes require the use of water as an essential input, especially in dyeing processes. The company uses an activated sludge treatment system before releasing the water into public streams. Moreover, the company carries out annual groundwater quality inspections to ensure that there is no environmental impact caused by any leakage.

### Water consumption per production unit

**Target for 2023: 16 units per ton**





## Waste Management



Regardless of the type of business, there will always be operational or production waste in varying quantities. It's essential to consider the environmental impact of this waste. Our company has implemented measures to minimize waste in production and garbage disposal within our factory premises. We have created an action plan to reduce production waste and launch a campaign to minimize waste in non-production areas. We have categorized waste and its generation within the organization into different segments:

**“Production Process”** The company's production process generates waste that must be disposed of in accordance with legal regulations. The company has established specific collection points for segregating production waste and other waste materials to manage this waste. The responsible person then manages these materials separately before disposing of them. To ensure that waste is disposed of in the best possible way, the company's current approach focuses on using blended or alternative fuels to reduce landfill disposal. Additionally, the company sells waste materials to other operators for the production of different products. These practices align with the principles of the Circular Economy.

**“Offices and other areas of the factory”.** It is crucial for all employees working in both office and factory areas to have a clear understanding of waste sorting. To promote this, the company has introduced three colored waste bins: red for hazardous waste, green for general waste, and yellow for recyclables. Each department is responsible for raising awareness about waste sorting among its members. Additionally, the company is encouraging paper reduction by utilizing technology for document exchange and promoting electronic forms to eliminate paper usage ultimately.



## Waste Volume in 2023



## Air Management



The pervasive issue of global warming is leading to disruptive weather patterns, including irregular rainfall, severe heat waves, and prolonged droughts. This is primarily caused by the planet's inability to regulate the solar heat it receives, resulting in overall rising global temperatures and consequential shifts in climate. Human activities such as industrial pollution, vehicle emissions, deforestation, and agricultural burning are significant contributing factors. Our company is fully committed to reducing its environmental impact through innovative production techniques and initiatives aimed at minimizing greenhouse gas emissions. We have also joined the Greenhouse Gas Reduction Network and actively promote tree-planting activities to contribute to green spaces on appropriate occasions, volunteers in tree-planting activities in collaboration with government agencies, communities, and wider society to enhance green spaces.



**The company's roles and responsibilities and governance structure regarding climate change are as follows:**

<b>Governance structure</b>	<b>Roles, duties and responsibilities</b>	<b>Meeting frequency</b>
<b>Enterprise Risk Management Committee</b>	Set and review risk management policies. Supervise the implementation of organizational risk management. This includes climate change risks. Evaluate and review risk factors both inside and outside the organization that affect the company's goals. This is to determine appropriate climate change measures.	<b>Annually or as appropriate</b>
<b>Working group ( Energy Management Working Group, Carbon Emission Reduction Working Group)</b>	Drive operations in line with the company's policies and goals.	<b>Quarterly or as appropriate</b>

# Energy Management

The company has compared its energy consumption to its production processes and discovered that it has higher energy usage, including electricity, fuel, and other forms of energy used in production and business operations. To address this



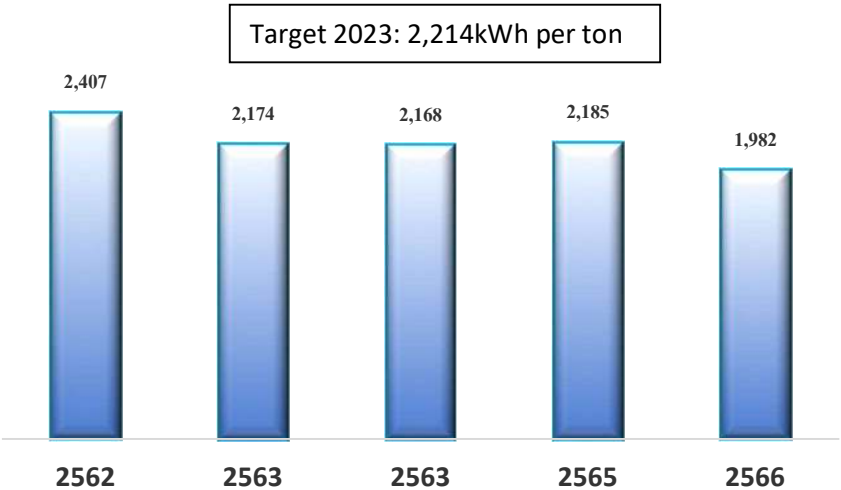
issue, the Company has implemented an energy conservation policy to promote similar practices across the



organization, introduced a more energy-efficient production process system that uses inverters to reduce energy consumption and enhance production efficiency. Additionally, the Company recognizes the potential environmental impact of relying solely on external electricity sources. As a result, they have installed solar

panels on their rooftops to harness solar energy and contribute to reduced greenhouse gas emissions. The Company has also launched employee awareness campaigns to promote energy efficiency and the benefits of such measures. These campaigns include transitioning to energy-efficient LED bulbs, installing translucent roofs to maximize natural light utilization, and upgrading production machinery with energy-efficient systems. Furthermore, the Company empowers employees to apply their energy knowledge beyond the workplace by encouraging energy conservation practices at home. All of these activities are guided by the theme "UPF reduces energy consumption for the planet, for sustainable life."

Electricity consumption per production unit



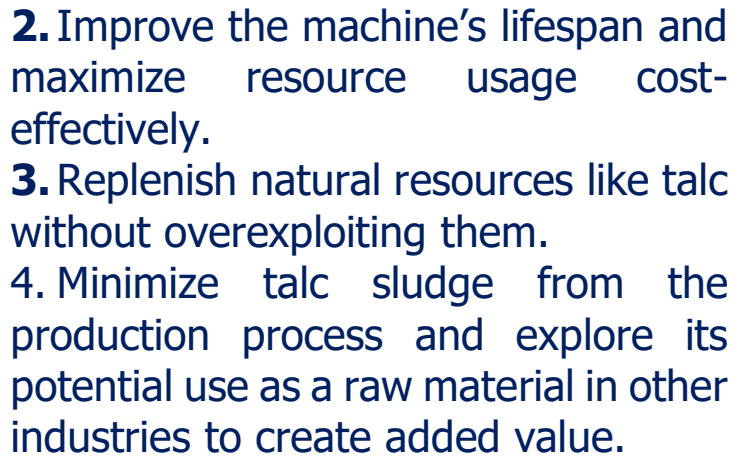
## Production Innovation

Improvements have been made in machine design and production processes to reduce resource usage and enhance the quality of high-value elastic products for special applications. This also includes minimizing talcum starch wastage during the anti-tack process for cost-effectiveness.



## Results

1. The company has adopted the concept of improving the talcum powder application on rubber sheets by introducing a talcum powder sprayer, utilizing rubber pads in place of traditional powder sprinkling machines in the anti-tack process.





### 3.6 Tax Policy



Union Pioneer Public Company Limited is committing to sustainable business growth. The company strictly adheres to good corporate governance principles, business ethics and complies with all relevant laws and regulations. The Company ensures that its management of taxes is carried out fairly and transparently. With the responsibility to all the stakeholders,

we realize the importance of being a good taxpayer that proper tax payment can contribute to society's sustainability.

#### Guidelines

1. Use tax incentives for maximum efficiency under legal requirements, including compliance with government officials and related organizations' financial and tax disclosure regulations.
2. Submit the tax within the time specified by law, manage the payments or request tax returns for the organization's highest liquidity.
3. Study and consider tax implications regularly, considering the company's best interests if a new tax law is enacted or a new transaction occurs.
4. Carry out tax planning, study law and regulation to implement correctly and entirely by the rules, procedures, and conditions stipulated.
5. Appoint a party responsible for overseeing tax matters. Coordination with government agencies about tax matters must be done through the designated responsible party to ensure that all relevant information will be timely submitted, reduce the risk of tax disputes including providing company's operation information based on facts upon request or call for an inspection from a government agency.

6. Provide knowledge and understanding of tax laws to the person in charge, so that they can implement correctly and entirely by stipulated rules, procedures and conditions.

### **Tax Risk Management**

To perform tax duties effectively and ensures compliance with tax law and regulation, the company has implemented important tax risks management as below:

1. Assess and analyze tax implications if laws or regulations change, set operation guidelines to comply with tax law and regulation, ask for opinions and suggestions from relevant government agencies of any doubts to ensure the careful management of tax.
2. Set process of preparing and paying taxes accurately and on time, proceed with accounting record completely, regularly review tax calculation, have recorded the tax data and report systematically and appropriately.
3. Promote and encourage training and tax knowledge to relevant employees regularly.
4. Establish tax compliance review, coordinate with internal and external auditors on tax-related risks or damages.
5. Report important tax issues to the management and the board through the chief executive of the accounting and finance department.

### **Tax Report**

The company has set a tax policy to supervise the operation and tax benefit application entirely and correctly. To achieve maximum efficiency of tax implementation, the company also complies with financial and tax information disclosure regulations to the government and all stakeholders. The company believes that good tax practice contributes to a country's overall economic and social development.

In 2023, the company's effective tax rate was 14.59 percent, lower than the statutory tax rate (20 percent) because it is entitled to exemption of tax and duties follows:



Royal Decree no.437	Employee training expenses
Royal Decree no.499	Employment of disabled employees
Royal Decree no.639	Employment of elderly employees
Royal Decree no 642 695	Investment in new machinery
Royal Decree no 663	Donation to school and hospital
Royal Decree no. 733	Purchase of ATK (COVID-19) testing kits for employees



## Management Discussion and Analysis

### Business Overview

In 2023, the economic situation in Thailand and the world continues to remain sluggish, even though the crisis caused by the COVID-19 pandemic has passed. The world faced the enduring impacts of geopolitical issues in various countries without clear resolutions, such as the Russia-Ukraine conflict, Israel-Hamas tensions, and the situation in the Korean Peninsula. Thai businesses found themselves facing intensified competition, particularly from Chinese products that maintained a competitive edge in production costs. Additionally, the high energy prices during the first half of the year added to the economic difficulties. This resulted in a stabilization of domestic consumption, as Thai citizens exercised caution in their spending habits, prioritizing essential items in their daily lives. Consequently, the textile and garment industries, both domestically and internationally, had been impacted by the sluggish economic conditions.

## Business Operating Results and Profitability

Transaction	For the Year ended 31 <sup>st</sup> December (Unit: Million Baht)			
	Year		Increase (Decrease)	
	2023	2022	Amount	%
Total Revenues	558.71	660.08	(101.37)	(15.36)
Costs and Expenses	550.59	632.42	(81.33)	(12.94)
Profit (Loss) -Net	6.52	21.58	(15.06)	(69.79)

In 2023, the Company had revenue from sales at 548.85 million baht decreasing from the year 2022 by 99.15 million baht or 15.35%. It was divided to export sale decreasing from the previous year by 78.41 million baht or 19.92 % due to customers delaying orders as the global economic situation, domestic sale decreased by 20.74 million baht or 8.22 % due to the sluggish economic conditions and reduced consumer spending, other income decreasing from the year 2022 by 2.21 million baht or 15.71% due to the reduced sale of waste products from increased production efficiency, and cost of sales decreased by 82.19 million baht or 13.00% due to the decrease in the price of synthetic rubber, a key raw material in the production process.

According the Company's financial statements, the net profit was 6.52 million baht or 1.17% of total revenue when comparing with the year 2022 which was net profit of 21.58 million baht or 3.27% of total revenues. The profit was decreased by 15.06 million baht with the earning per share of 0.87 baht, mainly due to the reduced sales volume and higher energy costs in the first half of the year compared to the previous year.

## Key Financial Ratios

### Debt to equity ratio

In 2023, the Company had a debt to equity ratio of 0.36 times, higher than in 2022 at 0.35 times, indicating that the debt ratio is still low when comparing with the equity.

### Return on Equity (ROE)

According to the Company's financial statements, the net profit was 6.52 million baht, representing a return on equity of 1.83%, lower than that of 2022 with the return on equity ratio of 5.87%.

Liquidity Ratio was 6.79 times, decreasing from 2022 which was 7.40 times due to a decrease in current assets from the decrease in remaining inventory.

Inventory turnover was 3.66 times, increasing from 2022, which was 3.42 times due to a decrease in the quantity of remaining inventory due to a reduction in the stock of raw materials compared to the previous year.

## Asset Management

As of 31<sup>st</sup> December 2023, the Company's financial position was analyzed from changes in the assets, liabilities and shareholders' equity as follows;

Transaction	For the Year ended 31 <sup>st</sup> December (Unit: Million Baht)			
	Year		Increase (Decrease)	
	2023	2022	Amount	%
Total Assets	476.39	490.29	(13.90)	(2.84)
Total Liabilities	126.01	127.22	(1.21)	(0.95)
Total Shareholders' Equity	350.38	363.07	(12.69)	(3.50)

## Assets

The Company's total assets at year ended 2023 was 476.39 million baht, with the proportion of the asset consisting of current assets at 76.08%, property, plant and equipment at 15.29% and other assets at 8.63% when compared to the year 2022 which was decreased by 13.90 million baht or 2.84%. The main changing transaction was from a decrease in the quantity of remaining inventory which amounted to 106.82 million baht as of the year ended 2023, declined from 2022 at 30.41% due to a decrease in raw material stockpiling for production purposes.

## Trade and Other Receivable

As of 31<sup>st</sup> December 2023, trade accounts receivable and other receivables shown the value as the net realized gain amounting to 119.88 million baht, increased by 2.56 million baht or 2.18% from the year 2022. The majority of the Company's debtors had no collection issues. However, the Company set the net unrealized values at 0.89 million baht, in accordance with financial reporting standard No. 9.

## Liabilities

The Company's total liabilities were 126.01 million baht, decreased by 1.21 million baht or 0.95%, from last year, mainly due to a decrease in trade payables and other payables from debt repayment during the period.

## Shareholders' Equity

The Company had shareholders' equity of 350.38 million baht, decreased by 12.69 million baht or 3.50% due to a decrease in net profit from the Company's operations compared to the previous year.

## Liquidity and Capital Sufficiency

### Analysis of Changes in Capital.

As of 31<sup>st</sup> December 2023, Cash and cash equivalents amounted to 131.28 million baht increased by 42.94 million baht for the year 2022, which the details of the acquisition and uses of cash in the year 2023 as follow;

Transaction	For the Year ended 31 <sup>st</sup> December (Unit: Million Baht)	
	2023	2022
Cash Flow from (used in) operating activities	79.79	88.16
Cash Flow from (used in) investing activities	(11.23)	(14.00)
Cash Flow from (used in) financing activities	(25.63)	(39.58)
Cash and cash equivalents at the beginning of year	88.34	53.76
Cash and cash equivalents at the end of year	131.28	88.34

- Net cash from operating activities decreased due to a reduction in the Company's operating performance compared to the previous year.
- Net cash used in investing activities decreased due to the maturity of government bonds.
- Net cash used in financing activities decreased due to a lower annual dividend payment compared to the previous year.

## **Liability and Off-Balance-Sheet Management**

The Company disclosed in Note 24 of the financial statements and the consolidated financial report as of 31<sup>st</sup> December 2023 was summarized below.

- Last year there were no any special transactions or transactions came from the abnormal operations.
- There was no significant change after the date specified in the latest financial statement that may affect the financial status and operating results of the Company.
- There was no effect from the shareholding restructure of group companies to the operating results of the Company.
- The Company had no guarantee for outsiders or any obligation in project investment or other similar obligations that may affect to its operation.

## **4.2 Factors Impacting Future Business Operations**

The economic outlook for Thailand and the world in 2027 remains uncertain, with ongoing changes and geopolitical conflicts posing significant risks. If this situation persists and escalates, it could have impacts on the global economy in term of production, trade, investment, and finance. For example, rising trade costs may impact supply chains and confidence in decision-making for business operations and investments. Nevertheless, the Company has prepared to adapt by considering risk management strategies to adjust its business operations in response to changing circumstances. The Company aims to develop products and enhance service quality, ensuring timely delivery of goods to meet customer needs. The Company plans to diversify its supplier and buyer sources, expand distribution channels, and improve production efficiency while managing costs effectively to enhance competitiveness.

In addition, the Company affirms to conduct business with corporate governance, code of conduct, transparency and responsibilities to society and environment for sustainability to the organization and all stakeholders against all forms of corruption. For risk management, the Risk Management Committee is composed of the executives and the team workers who are responsible in each division, considered in specifying the frameworks, policies and reviewing the methods of the Company's risk management to cover and comply with the economic condition, society and environment, by having meeting and tracking the risk management results, to find out that they are controlled and managed in the acceptable levels.

### 4.3 Board of Directors' responsibility for Financial Reporting

The Board of Directors is responsible for the Company's the financial statements and information as listed in the annual report. Such financial statements are prepared in accordance and consistency with the Accounting Standards for Publicly Accountable Entities. The aforementioned financial statements are generated in accordance with generally accepted accounting/ standards by implementing the appropriate accounting policies on consistency basis, with carefully consideration, including adequately disclosing the essential information in the Notes of financial statements that the independent auditors give unconditional comments on the independent auditors' report.

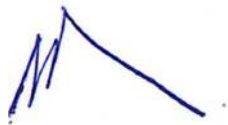
The Board of Directors has maintained an appropriated and efficient internal control system to ensure that the account recordings are correct, complete, and sufficient to protect the Company's interests, to devise protection against fraud or other suspicious activities.

The Board of Directors has appointed the Audit Committee who are the Independent Directors, are also Non-Executive Directors. They are responsible for the quality of the financial statements and internal control system. For the views of the Audit Committee are reported in the Audit Committee's report in the Company's Annual Report.

The Board of Directors confidents that the good corporate governance, risk management and internal control system of the Company are satisfactory to ensure reasonably the credibility of the Company's financial statements as of 31<sup>st</sup> December 2023 that are revealed the financial position and operating results correctly and appropriately in the significant matters.

On behalf of the Board of Directors

Union Pioneer Public Company Limited



(Miss Dalad Saphavichaikul)

Chairman



(Mr. Nattapon Yangyuen)

Managing director



## General Information and Other Significant Information

### 5.1 General Information and Other References

Securities Registrar	<p>Thailand Securities Depository Company Limited (TSD)  The Stock Exchange of Thailand Building,  1<sup>st</sup> Floor, Tower B (next to the Chinese Embassy)  No. 93, Ratchadaphisek Road, Kwaeng Din Daeng, Khet Din Daeng, Bangkok 10400  Telephone (66)2 009 9000 Fax : (66)2 009 9991  Call center (66)2 009 9999 <a href="http://www.set.or.th/tsd">http://www.set.or.th/tsd</a></p>
Auditors	<p>Mrs. Poonnart Powcharoen, Certified Public Accountant, Registration No. 5238  (3<sup>rd</sup> year in auditing) or  Mr. Krisada Lertwana Certified Public Accountant Registration No. 4958  Ms. Wilailak Laohasrisakul, Certified Public Accountant, Registration No. 6140</p> <p>EY Office Company Limited, Floor 33, Lake Ratchada Building  No. 193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110  Telephone (66)2 264 0777, (66)2 264 9090 Fax (66)2 264 0789</p> <p>The aforementioned auditors are the authorized auditors who are approved by Securities &amp; Exchange Commission (SEC), are independent and have no interest and no relationship with the Company, its directors, executives or major shareholders that may cause any conflict of interest with the Company over the past 3 years.</p> <p><b>Resume: Ms. Poonnart Powcharoen</b>  Work Experience:  -Over 28 years of audit experience in EY Office Company Limited, providing services to clients, including companies registered in the Stock Exchange of Thailand, and listed companies, both in Thailand and internationally.  -Over 10 years of authorized audit experience in registered companies.  -As an audit controller, covering various business types, including those registered in the Stock Exchange of Thailand and international business. Having experience in operational activities related to manufacturing and distribution, product distribution, technology-related businesses, retail lending, securities, and real estate business. Additionally, having expertise in auditing the registration in the Stock Exchange of Thailand.</p>

### **Other Significant Information**

- The Company does not have any other information that may affect significantly to the investors' decision.
- The Company does not issue and offer new ordinary shares or issue transferable subscription rights to the general public.

## **5.2 Legal Dispute**

In 2023, the Company had no legal disputes that negatively affected the Company's assets more than 5% of the shareholders' equity as of the fiscal year end, and no disputes that significantly affected business operation of the Company, as well as no lawsuits caused by the normal business of the Company (According to the Notification of the Capital Market Supervisory Board No. TorJor. 44/2556 Re: Rule, Conditions and Procedures for Disclosures regarding Financial Position and Operating Results of the Securities Issuers)



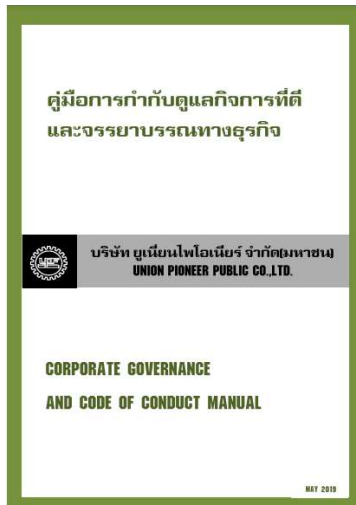
In addition, the Company did not have any disputes related to employment or corruption and business operations that significantly affect society and environment in any way.

### **Secondary Market**

The Company has no securities listed on the Stock Exchange in foreign countries.

### **Financial institutions that the Company regularly contacts (in case debt securities issuances)**

The Company does not have any operations in relation to this matter.



## Corporate Governance

The Board of Directors recognizes the importance of good corporate governance, commits to conducting business with transparency, verification and adhered to running the business with morality without corruption and taking into consideration of stakeholders.

According to the board's meeting no. 5/2019 on 22nd May 2019, the board reviewed and approved the good corporate governance principles version 2012 (CG principles) and the new code of conduct; which is an integration of social, environmental issues and corporate governance (environmental, social and governance: ESG). The principles of good corporate governance year 2017 (CG Code), criteria for the survey of corporate governance of Thai listed companies (CGR) and the quality assessment criteria for the annual general meeting of shareholders (AGM) have been applied to supervise, monitor and review in organization development for an ethical, transparent and verifiable management system which build confidence for shareholders, investors, and all stakeholders. The Board will consider applying the guidelines that have not been implemented once a year. [\(Code 1.4.1,1.4.2,3.5.1\)](#) [\(Code 1.2.3,1.2.4\)](#)

The Board of Directors' Meeting no. 11/21, held on November 24, 2021, reviewed to improve the good corporate governance policy and the company's code of conduct manual, including monitoring and evaluating the policy implementation to ensure that it has been deployed to suit the business.

### Overview of Corporate Governance Policy and Practice

The Board ensures that good corporate governance principles and business ethics knowledge will be disseminated to employees at all levels; directors, executives and all employees through communication in each department, including focus on creating awareness for employees thru orientation, explaining the principles and guidelines for all employees' understanding and used as a guideline for operations.

## **Policies and Practices relating to the Board of Directors**

The board has established a good corporate governance policy and provided manual of disclosing information relating to good corporate governance guidelines, management practices, roles and duties of board of directors, roles and responsibilities of chairman, obligations and duties of managing director, sub-committees, the nomination of directors, directors' remuneration, independence of board of directors from management, directors' development, evaluation of directors' performances and internal control, including monitoring and evaluating the policy implementation once a year.

*Details are disclosed in Section Corporate Governance Structure and Section Corporate Governance Performance Report.*

## **Policy and Practice relating to Stockholders and Stakeholders**

The company adheres to conduct the business under good corporate governance principles considers transparency, ethics and all groups of stakeholders to grow sustainably. In the past year, the board has consistently supported the company's compliance with the stock exchange of thailand's principle of good corporate governance for listed companies. The structure and guidelines of good corporate governance are divided into five parts as follows:

### **5 Principles of Good Corporate Governance**

**Principle 1: Rights of shareholders & Equitable treatment of shareholders** (CG Code 6,8)

**Principle 2: Role of stakeholders** (CG Code 4, 5, 7)

**Principle 3: Disclosed information and transparency** (CG Code 4, 5, 6, 7)

**Principle 4: Responsibilities of the Board of Directors** (CG Code 1, 2, 3, 4, 6)

### **Principle 1: Rights of shareholders & Equitable treatment of shareholders** (CG Code 6,8)

The Board of Directors realized the right of the shareholder according to the mandatory law, take care and treat shareholders equally, protect fundamental rights such as the right to buy, sell and transfer shares,

receive dividends, receive company information, attend shareholders' meetings, voting rights, rights of appointing a proxy to participate in the meeting on his behalf, Expressing opinion and asking questions in shareholder's meeting and right to propose agenda to be included in the meeting, etc.

The company has encouraged all groups of shareholders to exercise their rights by establishing guidelines as follows [\(CG Code8.1.1\)](#)

#### **Taking care rights of each shareholder**

- Encourage shareholders to exercise their rights without violating or depriving other shareholders' rights.
- The right to receive the company's information sufficiently and timely.
- Facilitate and encourage shareholders including institutional investors to attend the meeting and exercise their right to vote at the shareholder's meeting.
- The right to approve the election of the auditor and set the audit fees.

#### **1) Before shareholder meeting**

The company holds annual shareholders' meetings and follows the Securities and Exchange Commission (SEC) guidelines.

The company encourages shareholders to propose matters and submit questions in advance for the board's consideration, criteria for question submitting was from October 1st, 2020 until December 31st, 2020, at least five months before the shareholders' meeting or three months before the end of the accounting period. The prescribed criteria has been disseminated on the company's website. [\(CG Code 8.1.2, 8.1.5\)](#)

In 2021, the company held the annual general meeting of shareholders in the meeting room on the 9th floor. Saha-Union Public Company Limited, Headquarters Building, Head Office No. 1828 Sukhumvit Road, Phra Khanong Tai Subdistrict, Phra Khanong District, Bangkok 10260 . The Company closed the register book to collect names under Section 225 of the Securities and Exchange Act B.E. 1992 on March 31, 2021

## 2) Invitation of Shareholders' meeting and related documents. [\(CG Code 8.1.3\)](#)

Thailand Securities Depository Co., Ltd. (TSD), the company's registrar, submits invitation of shareholder's meeting, annual report, Proxy form B and C to shareholders. Meeting documents both in Thai and English versions had submitted to shareholders on April 05, 2021, at least 14 days in advance, published on the company's website on March 19, 2021, more than 30 days before the shareholder's meeting date, advertised in newspaper to inform date, time, place and meeting agenda three consecutive days before meeting date during 5-7 April 2021.

## 3) Annual General Meeting of Shareholders.

In 2023, the company held an annual general meeting of shareholders on April 19, 2023; with seven out of nine directors attending the meeting, two absent directors due to performing missions abroad. The meeting was transparent and consistent with the excellent practice of holding the shareholders' meeting of the listed company. An independent proxy Miss Rungthip Phakakamonphat, has witnessed vote counting.

The company has provided guidelines to facilitate and encourage all groups of shareholders to attend the shareholders' meeting, strictly follow the government directions on COVID-19 preventive measurement and practice.

- The company has applied electronic technology and barcode system with shareholders meeting such as registration and vote counting.
- The company's registration officers prepared stamps in advance to facilitate shareholders and proxies, encouraged shareholders and proxies to use ballots for every agenda, ballots are separated for each agenda. Before starting the meeting, the chairman informed the shareholders of the voting method and vote counting in each agenda according to the Company's Articles of Association.

- The vote counting has been based on the majority resolution of shareholders who attend the meeting and exercise their votes. Unless otherwise required by the law, the vote-counting result will be announced after the end of the session of each agenda.
- The meeting agenda has been specified as an agenda for acknowledgment or approval, including divided into topics such as in the agenda relating to directors and has separated the election of directors and approval of remuneration for each agenda (CG Code 8.2.8)
- Agenda for the election of directors were to be in details such as name-surname, age, education, experience, date starting the position as director, training on duties and skills, years of directorship, with/without interest in many ways with the company, types of directors to be nominated, number of shareholding including meeting attendance in the previous year.
- Propose the shareholders to determine the remunerations for the directors who were already approved by the Nomination and Remuneration Committee of the company

The company provides the shareholder the right to ask questions and concerns, expressing opinions within a reasonable time on each agenda. Importance questions and answers are recorded in the meeting minutes for shareholders who do not attend the meeting. Without notifying the shareholders in advance, the chairman will proceed with meeting according to the agenda, will not add agenda or change order of agenda, will not consider matters other than those specified in the notice.

#### 4) After the Annual General Meeting of Shareholders.

- **Disclosure of meeting resolution:** After the meeting, the company discloses the shareholder's annual general meeting resolution, including voting results, notified in a newsletter to the Stock Exchange of Thailand and on the company's website.
- **Minutes of Annual General Meeting of Shareholders:** The company has recorded the minutes of meeting accurately and thoroughly, each agenda includes essential information such as details of the number of shares, the proportion of shareholders attending the meeting in person and by proxy, list of



directors and managements attending the meeting, procedure and voting method, meeting resolution, voting results in each agenda, including shareholders' inquiries, clarification, and opinion proposed at the meeting. The company submitted the minutes of the annual general meeting of shareholders to the Stock Exchange of Thailand on April 28, 2021, which was within 14 days after the meeting date (CG Code 8.3.2) The company has disclosed minutes of the meeting on the company's website for shareholders verification and submitting to the ministry of commerce within the legal time requirement.



The Board of Directors is aware of all groups of shareholders; whether they are major or minor, individual or institutional, foreign or domestic, the company provides them with equal rights for the highest benefit of shareholders as below:

### **1) Protection of Shareholders' right**

The company emphasizes the importance of treating the shareholders equally and fairly; for the Annual General Meeting of Shareholders of the previous year, the Company has set the principles as below:

- Propose matters in the meeting agenda and propose questions in advance. According to last year 2021's minutes of meeting, no shareholders raised any matters to be included in the meeting agenda.
- Shareholders who cannot attend the meeting can appoint an independent director to represent their rights. The company has specified relevant information of independent directors such as name, surname, type of directors, age and address. Independent directors who are to be retired by rotation will not be presented as a proxy to prevent with / without interest issues. The proxy letters form B and C are attached with the sent-out annual general meeting of shareholders' invitations; shareholders can choose any form of a proxy letter to determine their voting direction. The company has prepared stamp duty for proxy form attachment at the registration point.
- Provide rights to shareholders with one share one vote principle.
- No agenda added other than those specified in the invitation letter for the annual general meeting of shareholders.

**Prevention of the use of inside information is in the section of Business Ethics.**

### **Directors' interest**

Establish guidelines and procedures for reporting on interest and securities holding as below:

- 1.) The Board of Directors supervise and manage transaction that may contain with/without interest, as well as provide guidance and procedures to make such transactions follow the process of operation and disclosure of information as required by general trade condition and law for the maximum benefit of the company and shareholders, The stakeholders should not participate in the decision. [\(CG Code 6.3.2\)](#)
- 2.) Before considering the agenda, directors must report their interests and stock holding following the rules, conditions, and procedure specified. The director that has a with/without interest in the agenda under consideration will not attend the meeting or abstain from voting. [\(CG Code 6.3.3\)](#)
- 3.) To prevent any transfer benefits arising from “connected transaction” between the company and persons who may have a conflict of interest, the company must propose a “connected transaction” to the audit committee for consideration and comment, then present it to the board of directors and the shareholders’ meeting for further review and approval. If the audit committee does not have expertise in related “connected transactions,” the company will allow the auditor to give an opinion and be used in the decision of the audit committee and the Board of Directors. [\(CG Code 6.3\)](#)
- 4.) In the past year, no directors and executives have violated/do not comply with asset trading rules according to the regulations of the Stock Exchange of Thailand / the Security Exchange Commission, Thailand.

## Category 2 Role of Stakeholders.

The Board of Directors has established guidelines of the company's operations related to stakeholders such as shareholders, employees, customers, business partners, creditors, competitors, community and society. The company must treat all stakeholders equally and fairly according to the agreement, legal rights and human rights that conform to good corporate governance principles. Established guidelines are as below:

Additional information on each topic can be found on pages 46-56 of the Corporate Governance and Code of Conduct Manual.

1) *Roles to Shareholders.* The company is striving to develop business with a stable and sustainable financial position with operating return on business to increase the value of shares for shareholders.

2) *Roles to Trade Partners and Creditors* The company has dealt with dealers, contractors and partners accordingly to the procurement process without any special preferential treatment. The company has established guidelines to deal with trade partners and creditors as below:

***Trade Partners:*** The Board of Directors has established guidelines to treat all business partners equally and fairly. The regulations in procurement and selection of vendor/contractor/consultants are based on maximizing the company's benefit, with transparency, bias-free, auditable, and employees are strictly prohibited from receiving any benefit.

***Creditors:*** In the past year, the company has complied with a commitment to creditors, treated all creditors per trade agreement, had no default payment and never received any benefit.

3.) *Roles to Customer* The company is committing to develop better products and services continually, collaborate with the customer to develop and research good quality products that meet customer needs, provide fast and reliable service, do not take any advantage of customers, develop eco-friendly and safe products, maintain customer's confidentiality and do not misuse customers' information, develop customer's satisfaction by having a concise channel to handle customer complaints and suggestions and being able to implement the action promptly.

4) *Roles to Competitors* The company operates the business with integrity, fair competition, within rules of

good competition, and trade regulation. The company does not solicit competitors' secrets with an inappropriate and unethical method.

5) Roles to employees The company has human resource management policy that encourages all levels of the employee to work with their knowledge and fully maximize their ability, provide compensation reasonably, equally, and appropriately, has welfare by regulated requirements such as social security and compensation fund, additional welfare to enhance the quality of life, retirement fund, provident fund, and other benefits as below:

(1) Hearing Conservation, measured with the following actions

- All executives, supervisors, employees, and related parties must support the hearing conservation project and give an opinion for improving the safety of working conditions.
- Health surveillance of loud noise by surveying the area, putting a hearing protection sign to wear the earplug and indicating noise levels with the sound map.
- Health surveillance of hearing by testing on hearing capability of staff by a certified external organization.

(2) Fire evacuation training: The fire evacuation training was implemented only one time in the past year as Thailand's 3<sup>rd</sup> COVID-19 wave in early 2021 prohibited large numbers of people from gathering. But ease of COVID-19 by the end of the year allowed the company to arrange fire evacuation drills as required by law.

(3) The company emphasizes taking care of the employee's health by encouraging all employees to have annual health check-ups arranged by the company.

(4) In the past year, the company has conducted environmental training sessions as below:

- Establishment of an environmental management system
- Selection of solar power generation for industrial plants
- Corporate carbon footprint calculation and reports
- Business operations with ESG in Process (ESG: Environmental, Social, and Governance).
- Business risk should not ignore and greenhouse gas report
- Creative design for eco-friendly packaging
- ISO14001 refreshment

- ESG showcase and ESG disclosure in one report
- Thai energy direction towards the CO2 reduction target
- Biotechnology for new S-Curve business
- Smart Electronics system for electronic waste management.

(5) The company adheres that business success must accompany employee safety. A safe working environment is a fundamental right that every employee can get equally. All executives and employees are assigned to take care of their own department's safety determined by the safety policy, occupational health and working environment. Additional information can be found on page 67 of the Corporate Governance and Code of Conduct manual on the company's website. The company has established the "Occupational Safety, Health and Environmental Committee" and "5S committee" to represent all employees to improve and implement the safety project for better working life.

The company has disclosed information and statistics rate of the accident year 2021 under safety workplace topic on Driving business for sustainability article.

(6) The company still operates the policy on supporting the employees' health promotion program, collaborates with Nopparat Hospital in reducing NCDs Non-Communicable diseases, which caused by the effect of the employees' lifestyles such as alcohol, smoking, lack of exercise, consuming an excess of salty-sweet foods, stress and carried out a policy on escorting pregnant employees by giving the importance on exemplary health conservation and works which will not be dangerous for the mother and their child (fetus).

#### 6) Roles to Society, Community and Environment.

The company realizes that business sustainability should go along with responsibility to society, community and environment. The company has summarized "CSR in process" and "CSR after process" on the topic of "Driving Business for Sustainability."

### 7) Role to the Government.

In 2021, the company paid tax in full amount within the time specified by the law. The company supports the government policies in protecting the nation's benefits by complying with all legal requirements, including withholding tax, company's income tax, value-added tax, customs duty, signboard tax, building tax and stamp duty. The company also complies with other factory requirements such as fuel and environment control requirements, labor law, safety and occupational health law. The company also set up additional tax policies, including tax benefits and tax management.

The company has established the "Anti-Corruption Policies" with additional information that can be found on pages 57-63 of the Corporate Governance and Code of Conduct Manual.

### **Category 3 Information Disclosure and Transparency.**

The Company has disclosed important financial and non-financial information accurately, completely, transparently and timely in accordance with the regulatory requirement. The shareholders and stakeholders can reach information easily and equally for an investment decision. The board has prepared the board's responsibility on financial reports together with auditor's report (CG Code 7.1) in Thai and English version through various channels such as the Stock Exchange of Thailand's notification system and company's website.

### **Maintain Financial Reliability and Information Disclosure.**

The Board of Directors has taken care of preparing financial reports and important information disclosure. The company has assigned Accounting and Finance Department Manager as the highest responsible person in the accounting and finance department and Investor relations. Accounting Section Manager responsible to control and supervise all accounting transactions. The above-mentioned persons in charge possess qualifications, knowledge, and experience according to job specifications stipulated in the Management details.

In the past year, the company has disclosed financial statements, financial status analysis, and operation results (Management Discussion and Analysis) every quarter to the Securities and Exchange Commission and

Stock Exchange of Thailand office. The auditors have certified the company's financial statements without any conditions; there is no late delivery or amended history. Disclosed issues are as below:

- 1) Disclose information according to accounting periods which are financial information and non-financial information via the SET Link of the SET and on the company's website for the shareholders, investors, and regulators to acknowledge the information completely, timely, and be able to use them for consideration thoroughly and fairly. (CG Code 7.1.4)
- 2) Disclose the shareholders' structure transparently.
- 3) The company's management will bring important "connected transactions" to the board or shareholders' meeting for approval. Disclosures show related parties' name lists of connected transactions, relationships, nature of transaction, conditions, value, and connected transaction reason. In the past year, all connected transactions belonged to ordinary business transactions. (CG Code 6.3)
- 4) Disclosure of audit and other service fees, considered by the audit committee. Details are on the topic "Auditor's Remuneration."
- 5) Disclosure of the role and duties of committees and sub-committees includes the management structure, interest disclosure, and frequency of each director's attendance compared to meetings being held throughout the year in Form 56-1 (One report).
- 6) The company has disclosed the remuneration of directors and senior management, reflecting each individual's duties and responsibilities, including the form or nature of the compensation. The nomination and remuneration committee has considered directors' remuneration compared to comparable companies listed on the stock exchange of Thailand that are in the same industries. More information is in the summary of the remuneration of all committees. Information is disclosed on the company's website as below (CG Code 7.6):
  1. Company's vision and mission.
  2. Nature of company's business
  3. Financial statement and reports on financial position and performance of current and previous years.
  4. Submit and disclose the annual registration statement Form 56-1 (One Report) to the supervisory authority within three months from the end of the accounting period. The



information can be downloaded from the website of the Stock Exchange of Thailand and on the Company's website.

5. Disclosure of resolutions to the shareholders meeting shall be done one day after the meeting, the resolution consists of the date, time, place, agenda of the shareholders' meeting, directors' opinions and closing date of the share registration book.
6. Disclose invitation to the shareholders meeting and related documents on the company's website 30 days in advance of meeting date.
7. Submit and disclose the minutes of the shareholders' meeting to the stock exchange of Thailand within 14 days after the meeting date, also on the company's website.
8. Company's policies, good corporate governance and code of conduct manual.
9. Company's rules and regulations.

Investor Relation: Mr. Wiwat Jongkonrat  
Accounting and Finance Manager (CFO)  
Tel no.: 02-517 0105 till 8 ext. 211  
E-mail: [wiwat@unionpioneer.co.th](mailto:wiwat@unionpioneer.co.th)

The company has published the person in charge and contact channel through Investor Relation Information on Company's website.

#### **Categories 4 Board of Directors' Responsibilities.**

##### **1. Duties and Responsibilities of the Board of Directors. (CG Code 1.3)**

The Board of Directors has duties to perform in accordance with the law, objectives, company's rule, and resolution of shareholders' meeting, has a vital role in formulating policy, vision, company strategies, including supervising, monitoring, and auditing management's operation, assess the operating performance with planned one, define corporate governance policy, business ethics, important business policy and supervise the management operates the business effectively and efficiently for the best benefit of the company.

Additional information can be viewed at section corporate governance structure and board's important information.

## 2. Board of Directors' Meeting.

Details are disclosed in the section report on Governance Performance.

## 3. Directors' Remuneration

Determination of the director's remuneration structure, consideration of remuneration, other compensations, remuneration criteria, details of each director's remuneration, meeting attendance of directors in and board performance assessment in the past year are all disclosed in Section Governance performance report.

## 4. Knowledge Development for Directors and Executives.

- 1) The company promotes and supports directors to attend training courses related to director's performance improvement, such as the DCP, DAP course of IOD, etc as well as supports to have a better understanding of laws, rules, standards and risks related to current business operation. Information on training and knowledge development of the company's directors are disclosed in the annual report ([CG Code 3.8.2, 3.8.3, 3.8.4](#))
- 2) The company has provided an orientation to new directors in accordance with the stock exchange of Thailand's guidelines within one month after holding the position. The management department would provide important information to new directors including objective, goal, vision, mission, corporate value and nature of business as guidelines of good corporate governance principle. ([CG Code 3.8.1](#))
- 3) The board has formulated a succession plan for company's senior management positions to prevent business operation interrupt. The managing director reports the results of the succession plan to the board at least east once a year ([CG Code 4.1.3](#))

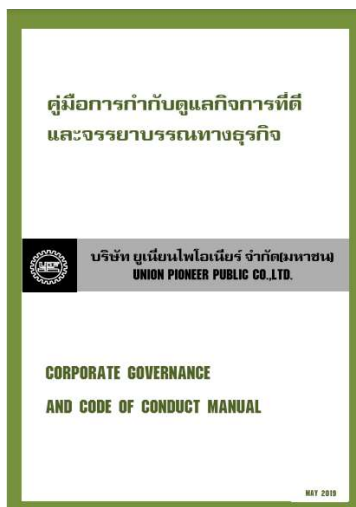
Courses of the Thai Institute of Directors Association (Thailand Institute of Directors: IOD)

AACP-Advanced Audit Committee Program	DDE-Director Diploma Examination
ACP-Audit Committee Program	ELP - Ethical Leadership Program
BFI -Boardroom Success through Financing & Investment	FN-Finance for Non-Finance Director
BMD-Boards that Make a Difference	FSD-Financial Statements for Directors
BNCP - Board Nomination and Compensation Program	HRP-How to Develop a Risk Management Plans
CDC-Chartered Director Class	RCC-Role of the Compensation Committee
DAP-Director Accreditation Program	ROM-Risk & Opportunity Management
DCP-Director Certification Program	RCL-Risk Management Program for Corporate Leader
DCPU-Director Certification Program Update	

In 2023, there are two training courses for Directors.

Board of Directors' training information relating to the roles, duties and skills of being a director

Courses	Miss Dalad Sapthavichaikul	Mrs.Nuntawan Sakuntanaga	Mr.Wanchai Rattana Wong	Mr.Nuttapon Yangyuen	Mr.Chutindhon Darakananda	Mrs.Chantorn tree Darakananda	Mrs.Siriphon Luangnual	Mr. Prasit Asawavetvutt	Mr.Supakit Paungbua
AACP	-	-	17/2014	-	-	-	31/2018	-	-
ACP	10/2005	43/2013	-	-	-	-	-	-	-
BFI	-	7/2019	-	-	-	-	-	-	-
BMD	-	9/2019	-	-	-	-	-	-	-
BNCP	-	-	5/2018	-	-	-	-	-	-
CDC	-	-	-	-	-	-	-	-	-
DAP	-	-	110/2014	208/2023	17/2004	5/2003	-	-	148/2018
DCP	9/2001	166/2012	201/2015	-	-	-	72/2006	-	-
DCPU	-	-	-	-	-	-	3/2015	-	-
DDE	4/2001	-	-	-	-	-	-	-	-
ELP	13/2018	21/2021	-	-	-	-	-	-	-
FN	1/2001	-	-	-	-	-	-	-	-
FSD	-	31/2016	-	-	-	-	35/2018	-	-
HRP	-	-	-	-	-	-	12/2017	-	-
RCC	-	-	-	-	-	-	-	-	-
ROM	-	1/2021	-	-	-	-	-	-	-
RCL	-	-	-	-	-	-	6/2017	-	-



## 6.2 Code of Conduct

The Company is committed to conducting business with integrity, transparency, accountability and fairness to all related parties. The board has set the “Code of Conduct” as the company's business operations guideline and established “business ethic” as a work practice for directors, executives and employees to follow. The chairman of the Audit Committee has attended the Ethical Leadership Program training in the past year.

The company has focused and encouraged employees to comply with business ethics. The following actions are considered to violate the company’s code of conduct.

- Not comply with the code of business conduct and ethic.
- Recommend, encourage or support others not to comply with the code of conduct.
- Neglecting to ignore any violations or non-compliance with the code of conduct
- Not cooperating or obstructing to investigate the facts of violation or non-compliance with the Code of Business Conduct.

According to company regulation by the human resource department, actions that violate the code of conduct will be subjected to punishment and may be subject to penalties if the act is an offense under the law.

### 1. Prevention of conflict of interest.

The company has established policy and guidelines on the prevention of conflict of interest, as can be seen below:

- Do not perform anything contrary to the company’s business interest directly or indirectly; cause the company to lose benefit, receive lesser benefit than it should be, or share benefit from the company.

- With regard to the connected transaction policy, comply with the rules of the capital market supervisory board and the disclosure of information and operation of the listed companies in the stock exchange of Thailand, as well as regulation, law, notification and orders.
- Do not do anything directly or indirectly compete with the company's business.
- Not seeking personal business benefit with the company, such as selling products and services to the company.

## **2. Use of inside information.**

The company established the measurement to prevent the use of inside information that has not been disclosed to the public or make use of the information for personal or other benefits (CG Code 7.5.1) can be found in Section 5, Clause 5.14, internal information policy, pages 84-85 and section 2.3, preventing the use of insider information, pages 20-21 of the good corporate governance manual as a guideline for related persons.

- 1) It is strictly prohibited to disclose or use the company's confidential information for personal or other benefits.
- 2) Do not disclose inside information and documents to outsiders; make use of that information for personal or their associate's benefits, such as trade secrets, production formulas, production techniques.
- 3) Do not use not yet publicly disclosed information for oneself or others' benefits or take any action that may cause a conflict of interest with the company.
- 4) Prevent the use of inside information in trading of company security. The secretary arranges a schedule in advance each year to inform the directors and executives the date that they should avoid trading company securities that 14 days before the disclosure of the quarterly and annual financial statements until 24 hours after the disclosure of such information to the Stock Exchange of Thailand (SET).
- 5) The company's managing director and four executives under managing directors (as defined by the securities and exchange commission) are obliged to report changes in their securities holdings,

including spouse and underage children (according to the notification of the office of the securities and exchange commission no. [Sor Chor. 38/2018](#) subject: preparation report on changes in securities holdings) annually or when there is a change. The company secretary will keep this report and send a copy to the chairman of the audit committee within seven working days from the date of receiving.

- 6) Disclose the number of shares held by each director in the previous and current year in Form 56-1 and the annual report. In the past year, no offenses committed by the directors and senior management, and employees involved in the use of inside information were shown.

### **3. Anti Corruption** [\(CG Code 6.4\)](#)

Union Pioneer Public Company Limited has announced the anti-corruption policy; more details can be found in the good corporate governance handbook and code of conduct principle no. 3.5, pages 49-50 and part 4, pages 57-63, including practices relevant to employees and all groups of stakeholders through various channels, focusing on nurturing good operating practices, increasing all forms of anti-corruption awareness and creating an organizational culture under good corporate governance and compliance with business ethics. To build confidence and meet the expectations of all stakeholder groups, the company also encourages business partners and customers to support anti-corruption in all forms to build trust with all stakeholders, to be part of development in our nation's society, economy and fair business practice.

On December 22, 2021, the company received certification as a member of the Thai Private Sector Collective Action Against Corruption (CAC).

### **4. Whistleblowing Guideline and Procedure**

To ensure that complaints, suggestion and whistleblowing being reported from employees or all group of stakeholders will be effectively handled with transparency, honesty, fairness, confidentiality, and timely, the company has a clear policy as follow:

1) Stakeholders and employees can report wrongdoing or complaints to directors, company secretaries or the internal audit office directly at the contact address by letter or E-mail address

Whistleblowing or complaint channel:

Email : whistleblowing@unionpioneer.co.th the audit committee  
: md\_upf@unionpioneer.co.th to the company's managing director

Letter : Audit committee

Union Pioneer Public Company Limited.

No.1, Soi Serithai 62, Khwaeng Minburi, Khet Minburi, Bangkok 10510

Complaint box : Drop the complaint into the red box in front of the Saha Union's security guard  
station at Bang Chan

Telephone : Hotline 0-2-517-0105-8 ext. 111 to Managing director

2) Upon receiving a complaint or whistleblowing, the recipient shall consider information or evidence for validity, if the information is valid and is affected or potentially affected to the company, the issues will be further registered, investigated, concluded with a corrective action plan.

3) The company will inform the director of the investigation results. The company is ready to protect employees or stakeholders who provide information and assist the victim of misconduct and fraud from any kinds of threats or unfair acts.

## **5. Measures and guidelines for protecting employees, complainants or whistleblowers**

According to the company's management process and guidelines for protection, the company will not disclose the name of complainants or whistle-blowers, keep them as confidential information of the company



for their own protection in order not to cause trouble to them and set up a fact-checking committee to consider transparency and fairness to whistleblowers

In 2023, the Company has taken action to promote “Ethics within the Organization” for all employees to know and learn about the principles of good corporate governance and business ethics, including important policies through communication channels such as

- 1) Create an online system for employees through scanning QR CODE to view the information, which can be accessed at any time, whether they are located inside or outside the company.
- 2) Public relations through online media, the company's line application group
- 3) Public relations boards in each area of the Company
- 4) Through meetings for executives to communicate to their subordinates such as production line’s morning talk.
- 5) Communicate via the company's broadcast during break time for all employees to be informed and operate under the framework of ethics, morality, honesty which create a foundation for the company to grow sustainably.

## 6.3 Major Changes and Developments of Policies, Practices and Corporate Governance in the past

The Company believes in and realizes that conducting business with good corporate governance is vital for efficient and sustainable operation and creating long-term value for shareholders and stakeholders. The Company has provided an excellent transparent, auditable internal management and control system, respected the right of shareholders and equitable treatment of shareholders, maintained financial credibility, and disclosed information entirely and timely during the year 2020 – 2023 . The Company received the performance assessment from various reliable regulatory agencies and organizations as follows:

**Ranking - Listed Companies**

Please enter search criteria

Issuer : UNION PIONEER PUBLIC COMPANY LIMITED

Symbol : upf

Assessment Type : ☒ CG Score ☒ AGM Level ☒ Thai-CAC ☒ THSI

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**Sustainability Development by Industry ( 1 record(s) found )**

Symbol	Company Name	CG Score <sup>1/</sup>	AGM Level <sup>2/</sup>	Thai CAC <sup>3/</sup>	THSI <sup>4/</sup>	Sector
UPF	UNION PIONEER PUBLIC COMPANY LIMITED	4	4	Certified	n/a	SET - FASHION

<sup>1</sup> CG Score 2020 from Thai Institute of Directors Association (IOD)

(Guideline for results presentation)

<sup>2</sup> AGM Level 2021 from Thai Investors Association

<sup>3</sup> Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 24, 2021) are categorised into:

- companies that have declared their intention to join CAC, and
- companies certified by CAC.

<sup>4</sup> The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2021" included:

- SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)
- SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI)

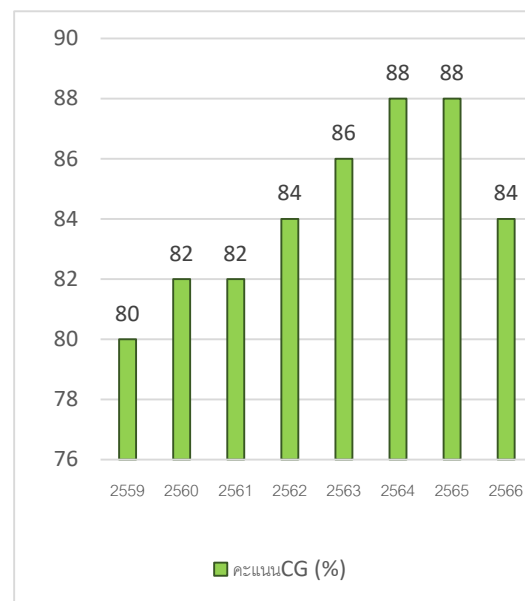
Last updated on 30 January 2022

## The Corporate Governance Report (CGR) assessment of the registered company for the year 2023

Union Pioneer Public Company Limited has achieved the rating of "Excellent" consecutively for the eighth year.

The Board of the Company has yearly reviewed the Company's good corporate governance practices, monitored CG improvement and best practices to apply with the Company's business accordingly.

Last year, the Company received a 4-star rating on corporate governance of Thai listed companies (CGR) from the Thai Institute of Directors Association (IOD), supported by the Stock Exchange of Thailand.



### Thai Private Sector Collective Action against Corruption (CAC)

The Company has been certified as a member of the Thai Private Sector Collective Action against Corruption from 30 June 2020 to 30 June 2023



Union Pioneer Public Company Limited has been recognized by Thaipat Institute as one of the listed companies in the ESG100 for the years 2016, 2017, and 2021 as a listed company with outstanding environmental, social and governance performance. In the latest assessment for the year 2023, Union Pioneer Public Company Limited has received a sustainability evaluation in the Consumer Products and Services Sector, achieving a SET ESG Rating of BBB.

### Compliance with Good Corporate Governance Principles in Other Matters

The Company has applied good corporate governance principles for listed company year 2017.

However, in 2023, there were still some issues that the Company was unable to cover in the following areas

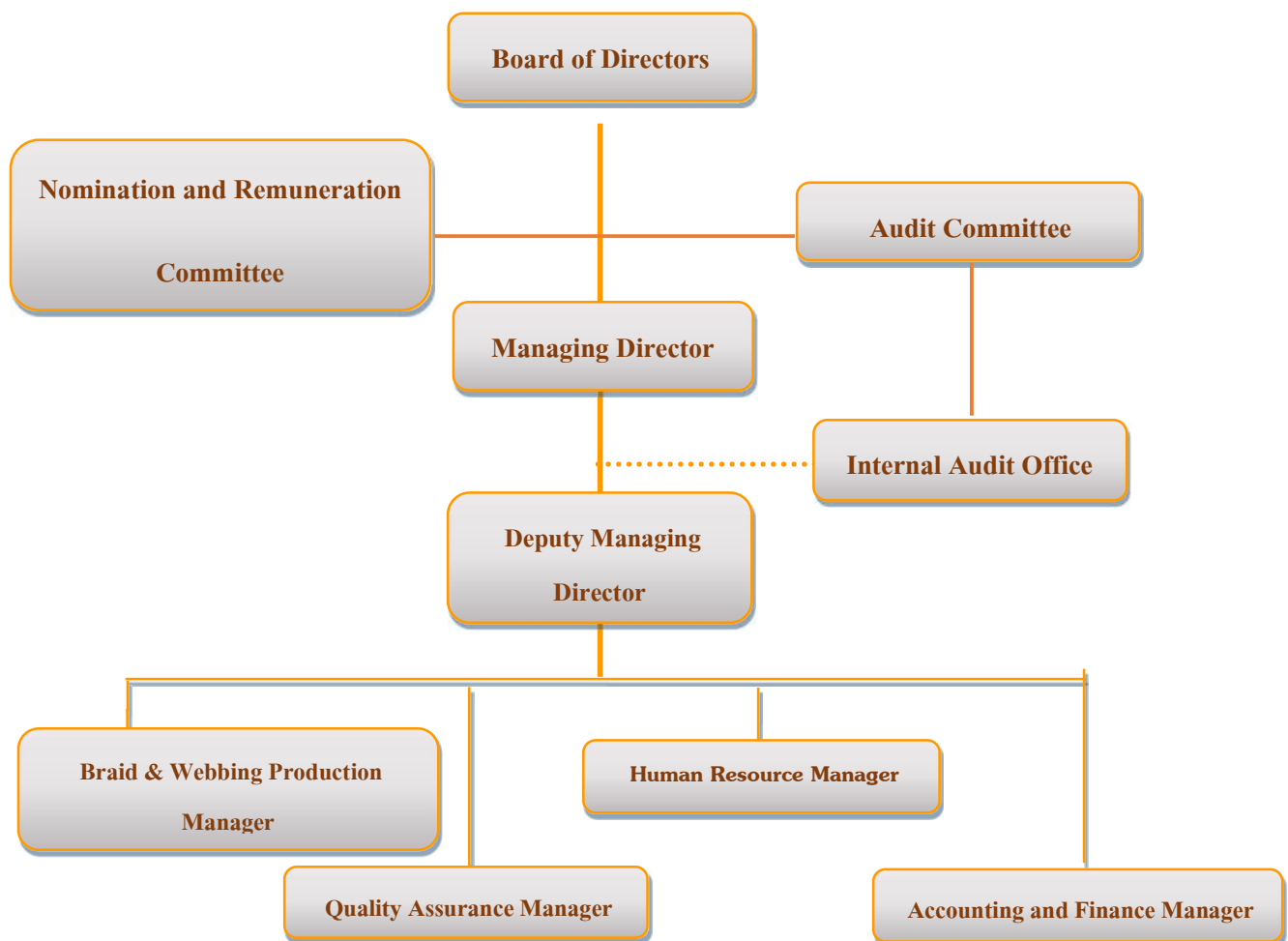
Unimplemented issues	Alternative measures/reasons
1. The chairman of the Board should be an independent director	<p>The chairman of the Board is a non-executive director who possesses business knowledge, experience and good leadership skills. In addition, the Board has clearly defined the roles and responsibilities of the chairman and managing director with emphasizing the benefit of the Company, shareholders and all stakeholders.</p> <p>The Company's Board of Directors has four independent directors out of nine directors to create a balance between management and governance with emphasizing the benefit of the Company, shareholders and all stakeholders.</p>
2. The Board of directors should consist of more than half of the independent director	<p>The structure of the Board consists of four independent directors out of the total of nine directors</p> <p>1. The chairman and the managing director are not the same person.</p>

	<p>2. The chairman of the Board is not a member of the executive committee, nomination and remuneration committee, or being assigned to have administrative responsibilities.</p> <p>The Board has agreed, as proposed by the nomination committee, that the current composition and qualification of the Board is appropriate and efficient in the performance of duties of the Board.</p>
<p>3. Each independent director shall not take the position for more than nine consecutive years from the day of the appointment.</p> <p>4. Determination of the most extended number of consecutive terms for independent directors and sub-committees.</p>	<p>The Board does not strictly specify the most extended number of consecutive terms for independent directors and sub-committees as the continuation of the independent directors and sub-committee are more beneficial to the Company; directors who hold the position continuously are people who have knowledge, abilities, experience and have a good understanding of the nature of business operations, have freedom to express their opinions and suggestions that are useful to the Company, do not relate to major shareholders or do not have authority in controlling or not being persuaded or dominated by the management. They have the qualifications of an independent director according to the SEC and the SET regulations.</p>
<p>5. The nomination and remuneration committee is an independent director as a whole.</p>	<p>The nomination and remuneration committee consists of three members, with at least two independent directors and the chairman of the nomination and remuneration committee is an independent director.</p>

**Corporate Governance Structure and  
Significant Information about the Board of Directors, Sub-committees,  
Executives, Staffs, etc.**

**7.1 Corporate Governance Structure**

Union Pioneer Public Company Limited gives precedence to compliance with good corporate governance principles, and the rules of the Securities and Exchange Commission of Thailand for the employees at all levels in the organization from the board of directors, sub-committees, executives and staffs. This is considered as an important system for corporate governance with chain of command, by supporting, reviewing, independence, including the separation of duties, according to the management structure.





**Miss Dalad Saphavichaikul**

**Chairman**

**Age 67 years**

**Education**

- Master's Degree in Computer Science, University of Illinois at Urbana – Champaign, U.S.A.
- Bachelor's Degree (First Class Honor) in Economics, Chulalongkorn University

#### **IOD's Training**

- Ethical Leadership Program (ELP) Class 13/2018
- Audit Committee Program (ACP) Class 10/2005
- Director Certification Program (DCP) Class 9/2001
- Director Diploma Examination Class 4/2001
- Finance for Non-Finance Director (FN) Class 1/2001

#### **Experiences**

- |                                 |  |
|---------------------------------|--|
| • March 2014 – 31 December 2023 | Chairman, Union Thai-Nichiban Co., Ltd.                    |
| • 2013 – 31 December 2023       | Chairman, Union Zojirushi Co., Ltd.                        |
| • May 2014 – 1 November 2022    | Chairman, Union Plastic Public Company Limited.            |
| • January 2017 – 1 March 2022   | Chairman, Computer Union Co., Ltd.                         |
| • May 2014 – 19 June 2020       | Director, The Royal Hotel Co., Ltd.                        |
| • May 2015 – 20 May 2020        | Chairman, Union Textile Industries Public Company Limited. |
| • January 2017 – December 2017  | Vice Chairman, Saha-Union Public Company Limited.          |
| • 2004 – 2017                   | Director, Computer Union Co., Ltd.                         |
| • 2012 – 2016                   | President, Saha-Union Public Company Limited.              |
| • 2011 – May 2014               | Director, Union Plastic Public Company Limited.            |
| • 1 January 2012 – May 2012     | Director, Union Pioneer Public Company Limited.            |
| • 1999 – 2011                   | Director, Saha-Union Public Company Limited.               |

#### **Current Positions**

##### **Listed Companies**

- |                            |   |
|----------------------------|---|
| • 1 January 2018 – Present | Chairman, Saha-Union Public Company Limited.    |
| • 30 May 2012 – Present    | Chairman, Union Pioneer Public Company Limited. |

##### **Saha-Union Group Companies**

- |                  |  |
|------------------|--|
| • Present        | Chairman and Director, Other Companies in Saha-Union Group |
| • 2013 – Present | Chairman, Union Micronclean Co., Ltd.                      |
| • 2013 – Present | Chairman, Union Stainless Steel Products Co., Ltd.         |

- 2012 – Present Chairman, Union Nifco Co., Ltd.

#### Other Companies

- 11 May 2022 – Present Chairman Board of Executive Directors, Sukhumvit 62 Medical Limited.
- December 2017 – Present Vice Chairman, Navavej International Hospital Public Co., Ltd.
- August 2015 – Present Director, Sukhumvit 62 Medical Limited.
- 1989 – Present Director, Processing Center Co., Ltd.

#### Years of Directorship

12 years (since 1 January 2012)



**Mrs. Nuntawan Sakuntanaga**

Independent Director / Chairman of the Audit Committee

Age 65 years

#### Education

- M.B.A., in Marketing and International Business UNIVERSITY OF WISCONSIN at MADISON, USA
- B.Ac., in Finance and Banking CHULALONGKORN UNIVERSITY

#### IOD's Training

- Ethical Leadership Program (ELP), Class 21/2021
- Risk and Opportunity Management, Class 1/2021 (IOD organized with AWC)
- Boards that Make a Difference (BMD), Class 9/2019
- Boardroom Success through Financing & Investment (BFI), Class 7/2019
- Financial Statements for Directors (FSD), Class 31/2016
- Audit Committee and Continuing Development Program (ACP), Class 43/2013
- Director Certification Program (DCP), Class 166/2012

#### Experiences

- May 2019 – April 2023 Commissioner, The Securities and Exchange Commission, Thailand
- July 2014 – April 2020 Independent Director / Chairman of the Corporate Governance Committee, PTT Public Company Limited
- October 2017 – 30 September 2018 Permanent Secretary, Ministry of Commerce
- October 2016 Director General, Department of Internal Trade, Ministry of Commerce
- October 2015 Director General, Department of Intellectual Property, Ministry of Commerce
- October 2013 - 2015 Director General, Department of International Trade Promotion, Ministry of Commerce

#### Current Positions



**Listed Companies**

- January 2020 - Present  
Company Limited
- Independent Director / Chairman of the Audit Committee, Union Pioneer Public

**Saha-Union Group Companies**

- None -

**Other Listed Companies**

- 3 March 2023 - Present  
Company Limited
  - June 2022 – Present  
Limited
  - March 2022 – Present  
Company Limited
  - September 2018 – Present
- Independent Director / Audit Committee member, Asian Marine Services Public
- Independent Director / Audit Committee member, SCBX Public Company
- Independent Director / Audit Committee member, Siam Cement Public
- Independent Director / Chairman of the Corporate Governance Committee,  
Asset World Corp Public Company

Limited

**Other Companies / Institutions**

- April 2019 – Present
  - July 2023 – Present
- Chairman, The Gem and Jewelry Institute of Thailand (Public Organization)
- Purple Ventures Co.Ltd.

**Years of Directorship**

4 years (since 1 January 2020)

**Years of Independent Directorship**

4 years (since 1 January 2020)



**Mrs. Siriporn Luangnual**

**Independent Director / Audit Committee /**

**Education**

- Master of Business Administration, Pittsburg State University, Pennsylvania, PA, U.S.A.
- Bachelor of Business Administration, Ramkhamhaeng University

**IOD's Training:**

- Advanced Audit Committee Program (AACP) Class 31/2018
- Financial Statements for Director (FSD) Class 35/2018
- Risk Management Program for Corporate Leader (RCL) Class 6/2017
- How to Develop a Risk Management Plan (HRP) Class 12/2017
- Director Certification Program Update (DCPU) Class 3/2015
- Director Certification Program (DCP) Class 72/2006

**Experiences**

- 2015 – 2019 Advisor on Finance, Ministry of Finance
- 2017 – 2019 Director and Member of the Audit Committee, Ratch Group Public Company Limited
- 2016 – 2019 Director, Board of Directors Member, Metropolitan Waterworks Authority
- 2014 – 2019 Board of Director Members, TOT Public Company Limited
- 2007 - 2017 Board of Directors Member, Ratchaburi Electricity Generating Company Limited
- 2011 - 2015 Deputy Director, State Enterprise Policy Office, Ministry of Finance
- 2014 Board of Directors Member, Government Housing Bank
- 2013 - 2014 Board of Directors Member, The Erawan Group Public Company Limited
- 2011 - 2014 Director and Chairman of Audit Committee, ASEAN Potash Mining Public Company Limited
- 2011 - 2012 Board of Director Members, TOT Public Company Limited
- 2002 - 2006 Director, Ratchaburi Energy Company Limited

**Current Positions:**

**Listed Companies**

- January 2023 – Present Independent Director / Audit Committee / Nomination and Remuneration Committee, Union Pioneer Public Company Limited

**Saha-Union Group Companies**

- None -

**Other Companies**

- 2021 - Present Performance Appraisal System Consultant, Chulabhorn Royal Academy
- 2020 - Present The Subcommittee for Evaluation of CAAT's Director General

**Years of Directorship** 1 year (since 1 January 2023)

**Years of Independent Directorship** 1 year (since 1 January 2023)



**Mr. Wanchai Rattanawong**

**Independent Director / Audit Committee /**

**Chairman of the Nomination and Remuneration Committee**

**Age 60 years**

**Education**

- Ph.D. ( Manufacturing Engineering ) Swinburne University of Technology, Melbourne, Australia

- M. Eng. ( Computer Integrated Manufacturing ) Swinburne University of Technology,

Melbourne, Australia

- Master of Education ( Physics ) M.Ed. (Physics ) Srinakharinwirot University ( Prasarnmitr )
- Bachelor of Education ( Physics ) B.Ed. ( Physics ) Srinakharinwirot University ( Bang Saen )

#### **IOD's Training**

- Board Nomination and Compensation Program (BNCP) Class 5/2018
- Director Certification Program (DCP) Class 201/2015
- Director Accreditation Program (DAP) Class 110/2014
- Advanced Audit Committee Program (AACP) Class 17/2014

#### **Experiences**

- 2014 – April 2023 Independent Director / Audit Committee , PTG Energy Public Company Limited
- 2017 – 2018 Director, Bangkok Mass Transit Authority
- 2016 – 2018 Senior Vice President for Corporate Capacity Development, University of the Thai Chamber of Commerce (UTCC)
- 2012 – 2015 Dean, Faculty of Engineering University of the Thai Chamber of Commerce (UTCC)  
Director of the Institute of Research and Development Logistics,  
Thai Chamber of ommerce University (UTCC)

#### **Current Positions**

#### **Listed Companies**

- 1 January 2021 – Present Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee,  
Union Pioneer Public Company Limited

#### **Saha-Union Group Companies**

- 17 June - Present Director, Computer Union Co., Ltd.

#### **Other Listed Companies**

- 2015 - Present Independent Director / Chairman, Sonic Interfrigt Public Co., Ltd.

- 2023 – Present Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee,

S. Khonkaen Foods Public Company Limited

#### Other Companies

- 2017 – Present Director, LRDI (Thailand) Co., Ltd.

#### Other Positions

- 2018 – Present Director of the Institute of Research and Development Logistics, University of the Thai Chamber of Commerce (UTCC)

Years of Directorship 3 years (since 1 January 2021)

Years of Independent Directorship 3 years (since 1 January 2021)



Mr. Nuttapon Yangyuen

Managing Director

Age 47 years

#### Education

- Master of Economics Chulalongkorn University
- Bachelor of Agriculture Economics Chiang Mai University

#### IOD's Training

- Director Accreditation Program (DAP) Class 208/2023

#### Experience

- January 2023 – June 2023t Deputy Managing Director, Union Pioneer Public Company Limited
- September 2022 – December 2022 Acting Deputy Managing Director, Union Pioneer Public Company Limited
- 2019 – August 2022 Assistant Director of Information Technology Data Management, Central Plaza Hotel Public Company Limited
- 2017 – 2018 Business Process Improvement Manager, Central Plaza Hotel Public Company Limited
- 2012 – 2016 Business Analysis and Strategic Planning Manager, Central Plaza Hotel Public Company Limited
- 2007 – 2011 Assistant Export Manager, Union Pioneer Public Company Limited
- 2001 – 2006 Sales Executive – Export, Saha Union Public Company Limited (Bang Chan)

#### Current Positions

##### Listed Companies

- July 2023 – Present Managing Director, Union Pioneer Public Company Limited

##### Saha-Union Group Companies

- None -

##### Other Companies

- None -

##### Years of Directorship

6 months (since 1 July 2023)



Mr. Prasit Asawavetvutt

Director

Age 64 years

##### Education

- MBA from Thammasart University.
- Bachelor in Pharmacy from Mahidol University.

##### IOD's Training:

-None-

#### Experiences

- October 1991 – December 2013 General Manager, Zimmer Biomet (Thailand) Co., Ltd.
- October 1987 – October 1991 Hospital Sales Manager, F.E.Zuellig Co. Ltd.
- April 1983 – October 1987 Hospital Sales Representative / Pharmaceutical sales representative, Scherling Plough USA.
- 2005 – 2010 Executive Director, Thai Medical Device Technology Industry Association
- 2007 - 2009 Member of Medical Device Committee at Thai FDA

#### Current Positions

##### Listed Companies

- July 2023 – Present Director, Union Plastic Public Company Limited

##### Saha-Union Group Companies

- None -

##### Other Companies

- June 2019 – Present Consultant, T.A.O. Bangkok Corporation Ltd.
- April 2015 – Present Consultant, Advance Medical Technology Co. Ltd.

##### Years of Directorship

6 months (since 1 July 2023)



**Mr. Chutindhon Darakananda**

**Director**

**Age 64 years**

**Education**

- Master's Degree in Business Administration, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree in Industrial Engineering, Stanford University, U.S.A

#### **IOD's Training**

- Director Accreditation Program (DAP) Class 17/2004

#### **Experiences**

- 19 March 2018 – 19 September 2023 Chairman, The Royal Hotel Co., Ltd.
- 2013 – February 2023 Director, Union Garment Co., Ltd.
- 24 January 2019 – 23 January 2020 Managing Director, The Royal Hotel Co., Ltd.
- March 2017 – February 2018 Vice Chairman, The Royal Hotel Co., Ltd.
- 2002 – January 2018 Vice Chairman / Managing Director, Union Thread Industries Co., Ltd.  
Vice Chairman / Managing Director, Union Industries Corp., Ltd.
- 1992 – February 2017 Vice Chairman, Venus Thread Co., Ltd.
- 2007 – 2012 Vice Chairman (Investments in China), Saha-Union Public Company Limited
- 2001 – March 2009 Director, Union Energy (China) Co., Ltd.
- 1993 – 2007 Director, Union Textile Industries Public Company Limited  
Director, Union Pioneer Public Company Limited  
Director, Saha-Union Public Company Limited
- December 1990 – 2006

#### **Current Positions**

##### **Listed Companies**

- 1 December 2023 – Present Director, Union Plastic Public Company Limited
- 6 May 2017 – Present Director, Union Pioneer Public Company Limited
- 2013 – Present Vice Chairman, Saha-Union Public Company Limited
- January 2011 -Present Nomination and Remuneration Committee, Saha-Union Public Company Limited

##### **Saha-Union Group Companies**

- Present Chairman, Vice Chairman and Director, Other Companies in Saha-Union Group
- January 2022 – Present Managing Director, Union Textile Industries Public Co., Ltd.
- August 2022 – Present Managing Director, Saha Union Holding Co., Ltd.
- 20 April 2022 – Present Chairman, Union Textile Industries Public Co., Ltd.
- November 2018 – Present Chairman, Saha Union Holding Co., Ltd.
- February 2018 – Present Chairman, Union Spinning Mills Co., Ltd.  
Chairman / Managing Director, Union Business Management Co., Ltd.  
Chairman / Managing Director, Union Thread Industries Co., Ltd.  
Chairman / Managing Director, Union Industries Corp., Ltd.

- May 2017 – Present Director, Union Nifco Co., Ltd.
- March 2017 – Present Director, Venus Thread Co., Ltd.
- November 2015 – Present Director, Union Zojirushi Co., Ltd.
- May 2014 - Present Director, The Royal Hotel Co., Ltd.
- 19 February 2013 – Present Director, Union Textile Industries Public Company Limited
- 2013 – Present Director, Union Micronclean Co., Ltd.

#### Other Companies

- December 2017 - Present Director, Navavej International Public Company Limited
- April 2017 – Present Director, Sukhumvit 62 Medical Limited

#### Years of Directorship

6 years 8 months (since 6 May 2017)



Collage

**Mr. Supakit Paungbua**

**Director**

**Age 63 years**

**Education**

- Master of Business Administration (M.B.A) at National Institute of Development Administration (NIDA)
- Bachelor of Industrial in Technical Education, Technology and Vocational Education Collage (Thewet Campus)
- Bachelor of Education Program (Educational Administration) at Chandrakasem Teacher

#### IOD's Training

- Director Accreditation Program (DAP) Class 148/2018

#### Experiences

- October 2007 – December 2020 Managing Director, Union Nifco Co., Ltd.
- February 2007 – February 2011 Managing Director, Union Stainless Steel Products Co., Ltd.
- July 2007 – September 2007 Deputy Managing Director, Union Nifco Co., Ltd.
- December 2006 – February 2007 Deputy Managing Director, Union Stainless Steel Products Co., Ltd.
- 1993 - 2006 Product Department Manager, Union Zojirushi Co., Ltd.
- 1993 Product Division Manager, Union Zojirushi Co., Ltd.
- 1991 – 1993 Head of Education Promotion, The Bangkok Technology College
- 1983 – 1991 Teacher, The Bangkok Technology School

## Current Positions

### Listed Companies

- 1 August 2023 – 31 December 2023 Acting Managing Director, Union Plastic Public Company Limited
- 1 December 2023 – Present Director, Union Pioneer Public Company Limited
- 1 August 2023 - Present Director, Union Plastic Public Company Limited
- January 2018 – Present Director, Saha-Union Public Company Limited

### Saha-Union Group Companies

- 1 January 2021 – Present Director, Union Textile Industries Public Company Limited
- 17 September 2020 – Present Director, The Royal Hotel Co., Ltd.
- 13 March 2020 – Present Director, Union Rubber Products Corporation Co., Ltd.

### Other Companies

-None -

### Years of Directorship

1 year (since 1 December 2023)



Mrs. Chantorntree Darakananda

Director

Age 60 years

#### Education

- Doctor of Medicine, Chulalongkorn University
- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

#### IOD's Training

- Director Accreditation Program (DAP) Class 5/2003

### Experiences

- April 2015 – 14 March 2022 Director, Computer Union Co., Ltd.
- 2009 – March 2017 Deputy Managing Director, Venus Thread Co., Ltd.  
Deputy Managing Director, Union Zip Co., Ltd.
- 1990 – February 2017 Director, Ladphrao Hospital Public Company Limited
- September 2014 – 2016 Executive Vice President, Saha-Union Public Company Limited
- 2013 – September 2014 Director, Saha-Union Public Company Limited
- 2002 – 2014 Director, Pro-Lab Co., Ltd.
- 2002 – 2009 Director, Union Textile Industries Public Company Limited
- 2002 – 2008 Deputy Managing Director, Union Thread Industries Co., Ltd.  
Director, Saha-Union Public Company Limited



- 1994 – 2008

Deputy Managing Director, Union Industries Corp., Ltd.

#### Current Positions

#### Listed Companies

- January 2017 – 31 December 2023 President, Saha-Union Public Company Limited
- 22 April 2015 – Present Director, Union Pioneer Public Company Limited
- 19 June 2014 – Present Director, Union Plastic Public Company Limited
- 24 January 2013 – Present Director, Saha-Union Public Company Limited

#### Saha - Union Group Companies

- Present Director, Other Companies in Saha-Union Group
- March 2017 – Present Director, Union Zip Co., Ltd.
- March 2016 – Present Director, Union Thai-Nichiban Co., Ltd.
- May 2015 – Present Nomination and Remuneration Director, Union Textile Industries Public Company Limited
- April 2015 – Present Director, Union Zojirushi Co., Ltd.  
Director, Union Nifco Co., Ltd.  
Director, Union Rubber Products Corp., Ltd.  
Director, Thai Rubber Enterprise Co., Ltd.  
Director, Union Stainless Steel Products Co., Ltd.
- January 2015 – Present Director, Union Textile Industries Public Company Limited

#### Other Companies

- December 2017 – Present Director, Navavej International Public Company Limited
- August 2015 – Present Director, Sukhumvit 62 Medical Limited

#### Years of Directorship

8 years 9 months (since 22 April 2015)

**Mrs. Chadaporn Jiemsakultip**

**Company Secretary**

**Age 61 years**

**Education**

- Bachelor's Degree in Business Administration (Management), Sukhothai Thammathirat Open University
- Certificate in Business Administration (Accounting), Vocational College, Bangkok Technical Campus, (Current Named Rajamangala University of Technology Krungthep (RMUTK)), Bangkok

**Training**

- CGR Workshop 2019 "Enhancing Good Corporate Governance based on CGR Scorecard", Thai Institute of Directors (IOD)
- Company Secretary Program (CSP) Class 27/2008, Thai Institute of Directors (IOD)
- Effective Minute Taking (EMT) Class 11/2008, Thai Institute of Directors (IOD)
- Fundamental Practice for Corporate Secretary (FPCS 28), Thai Listed Companies Association
- Smart Disclosure Program (SDP), The Stock Exchange of Thailand
- CSR for Corporate Sustainability (Preliminary Course) (P01)
- CSR Reporting
- Sustainability Risk and Materiality Analysis (S04)
- CSR Evaluation and Data Management (S05)
- Sustainability Reporting (S06) SR Center and Sustainable Business Development Institute, The Stock Exchange of Thailand
- Customs Professional Program, The Customs Department

**Experiences**

- July 2008 - 2013 Assistant to the Company Secretary, Saha-Union Public Company Limited

**Current Positions**

- January 2016 - Present Company Secretary, Union Pioneer Public Company Limited
- January 2016 - Present Company Secretary, Union Plastic Public Company Limited
- January 2014 - Present Company Secretary, Saha-Union Public Company Limited
- January 2009 - Present Company Secretary, Union Textiles Industries Public Company Limited

**Years of secretary position**

**8 years (since 1 January 2016)**

## **Roles and Responsibilities of the Company Secretary**

The Company Secretary has the duties according to the law section 89/15 and 89/16 under the Securities and Exchange Act (No.4) B.E.2008 effective on 31<sup>st</sup> August 2008, with responsibility, awareness and trustworthy thus taking the position according to the laws, objective and company's regulations, resolutions of the Board of Directors, including resolutions of the shareholders. The Company disclosed the information concerning educational background, experience and duties and responsibilities at the resume of Company Secretary and Chief Compliance Officer of the Company.

Roles and Responsibilities of the Company Secretary, as required by laws

**1. Prepare and keep the documents listed below:**

1. Registry of Boards
2. Documents on invitation of board of meeting, board of meeting report and the Company's annual report.
3. Documents on invitation of meeting of shareholders, shareholder meeting reports.
2. Keep and secure the documents with the interest from the directors and executives and send the documents according to the law section 89/14 to the chairman to verify within 7 days from the date that the documents were received.
3. Act according to the requirement of Capital Market Supervisory Board

Moreover, the Company Secretary also has other duties as assigned by the Company or the Board of Directors as listed below:

- Be a Chief of Compliance Unit to give advice on lawsuits and regulations related and actions with, should be taken to supervise and operate the activities of the board of directors as the law.
- Action on arranging the general board of director meeting and shareholder meetings.

- Coordinate within the company to act according to the board of directors and meeting of shareholders' resolution
- Corporate in-charge of such as The Stock Exchange of Thailand, The Securities and Exchange Commission (S.E.C) and to supervise the disclosure of information and to report the information to the public correctly and completely according to the law.
- Provide orientation, significant documents/information to the newly appointed directors, cooperated with directors to have necessary training courses for directors or specific committees.
- Perform any duties as assigned by the Company.

## **Independence of the Board of Directors and Management**

### **1. Separating** the Position of Chairman of the Board and Managing Director

Board of Directors encourages the good corporate governance by determining that the Chairman of the Board of Directors is not the same person with the Managing Director, as well as clearly segregating the authorities and roles according to the approval authority procedure and operation after passed approval of the Board of Directors, so that the Board of Directors can independently check and balance the operation of the Management.

### **2. Balance** of the Authorities of the Board

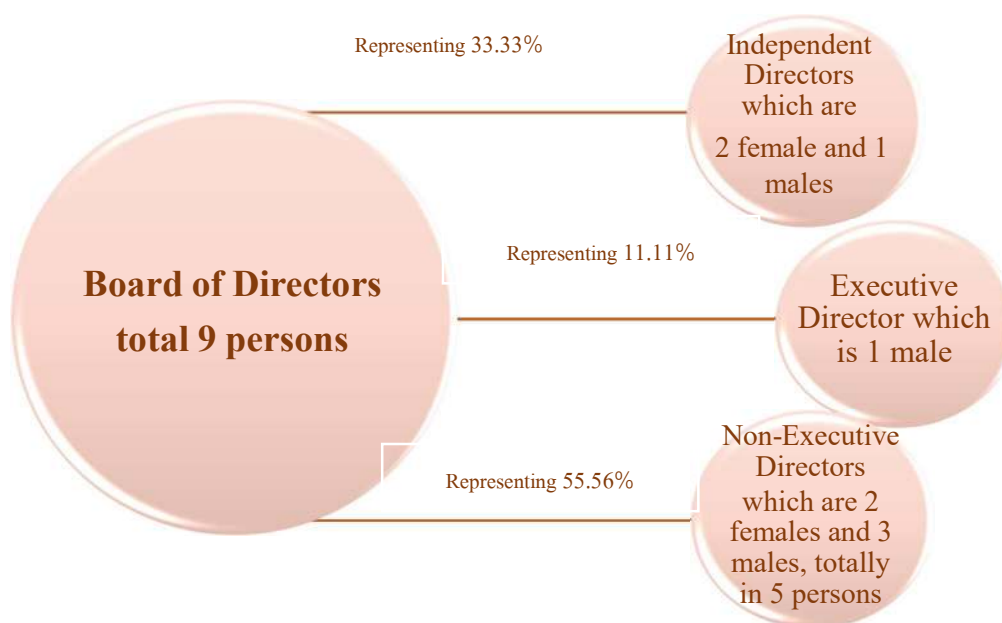
Board of Directors appropriately provides the Board of Directors' composition and clearly segregation of roles, duties and responsibilities between the Board of Directors and the Management. All directors are independent in expressing their opinions on the Company's operations with honesty and integrity, protection the interests of the Company without controlling as well as being responsible for the performance of duties under the laws, rules the Company, as well as the resolutions of the Board of Directors' meeting and the Shareholders' Meeting

### Composition of the Board of Directors (CG Code 3.1.4)

The Board of Directors consists of 9 directors, who have various qualifications in terms of professional skills, experience, knowledge, abilities and specific characteristics necessary to achieve the Company's main objectives and goals, gender and age, etc., including having qualifications not prohibited under the Public Limited Act and the law on Securities and the Stock Exchange. (CG Code 3.1.1)

The Board of Directors is independent in decision-making on operations and drives the Company to grow and achieve sustainable economic, social and environmental goals.

There is a clear management structure, balance and auditability. There is a clear segregation of roles and duties. and the responsibilities between the Board of Directors and the management.



List of the names of Board of Directors on 31<sup>st</sup> December 2023

Name-Surname	Position	Type of Director	Authorized Director	Assignment Start Date
1. Miss Dalad Saphavichaikul	Chairman of the Board	Non-Executive	✓	2012/1/1
2.Mrs. Nuntawan Sakuntanaga	Chairman of the Audit Committee	Independent	-	2020/1/1
3.Mrs. Siriporn Luangnual	Audit Committee /Chairman of the Nomination and Remuneration Committee	Independen	-	2023/1/1
4. Mr. Wanchai Rattanawong	Audit Committee /Chariman of the Nomination and Remuneration Committee	Independent	-	2021/1/1
5. Mr. Nuttapon Yangyuen	Managing Director	Executive	✓	2023/7/1
6.Mr. Prasit Asawavetvutt	Director	Non-Executive	✓	2023/7/1
7. Mr. Chutindhon Darakananda	Director	Non-Executive	✓	2017/5/24
8.Mr. Supakit Paungbua	Director	Non-Executive	✓	2023/12/1
9. Mrs. Chantorntree Darakananda	Director	Non-Executive	✓	2015/4/22

## **Scope of Authorities and Duties of the Board of Directors**

According to the rules and regulation of Company, the Board of Directors has the authority to make decisions and control the operations of the Company, except the following matters required the approval by the Shareholders' Meeting before operating.

In this regard, the directors or persons who may have conflicts or have interests, have no right to vote on this matter.

1. Matters required by law to have resolutions of the Shareholders' Meeting
2. Connected transaction with a large transaction size (20 million baht or 3% of net tangible assets – NTA, whichever is higher)
3. Acquisition or disposal of important assets with a transaction size of more than 50% but not more than 100% (calculated as type of assets)

## **Duties and responsibilities of the Board (CG Code 1.4.1)**

1. Perform duties with responsibility, caution and honesty including having to comply with laws, objectives, company regulations as well as the resolution of the shareholders' meeting except in matters that need to be approved by the shareholders' meeting before proceeding, such as matters that the law requires the resolution of the shareholders' meeting, related transactions and significant asset trading according to the rules of the Stock Exchange of Thailand or as specified by other government agencies. (CG Code 1.3.1)
2. Determine policies, plans and strategies of the company, consider and approve important matters relating to the operations of the company, such as financial goals, budgets, and supervise the management to operate in accordance with the policies, plans and strategies that are effectively and efficiently defined.
3. Consider and approve the assessment of the adequacy of the Company's internal control system on an annual basis and prepare a report on the responsibility of the Board of Directors towards financial reports, as disclosed in the annual report and Form 56-1.

4. Provide clear channels for reporting clues, process after receiving complaints and measures to protect the whistleblower, as details are in topic “Anti-Corruption Policy” on page 62-63)
5. Supervise and control the operation to comply with the laws, regulations and the guidelines of the regulatory agencies related companies, with no action on violation of the official rules. The Board of Directors shall carry out their duties with care and skill thorough practice.
6. Control the operation to be in accordance with good corporate governance under morality that is “Virtue, Quality and Benefits.” As well as being a part in specifying the standard regulations of good conduct in the workplace. These ethic policies were posted in a conspicuous place. It is noticeable and conveyed to a concrete practice of all employees. The Company had tracked the performance and related matters in accordance with the ethic policy on regularly. **(CG Code 1.2.3)**
7. Specify the measurement and policies about the conflict of interest, in case the company (if any) doing any kind of transactions with major shareholders, directors, executives and any individual related to the mentioned parties. These measurement and policies must be followed as the general conditions of trading and will be same as common parties by considering the maximum benefits of the company.
8. Specify the policies in case the company approved the transactions that dealt with related person in a long-term commitment (if any) such as selling and buying products, etc. It will be performed according to the conditions that have been agreed on for all of the time that have been committed with the company.
9. Provide an reliable accounting system, financial reporting and auditing including the accurate preparation of financial reports at the end of the accounting period of the company to show the financial status and operating results in the past year to be true, complete and accurate according to generally accepted accounting standards and be audited by the company's auditor before presenting to the shareholders' meeting for consideration and approval.
10. Arrange an internal controlling system and internal audit in work operation, financial reports and operation in accordance to regulations and policies.
11. Establish the office of Internal Audit, which is a division within the company, is independent in the performance of duties. It is responsible for the internal audit by reporting the results of the audit report directly to the Audit Committee and the Managing Director.



12. Appoint the Risk Management Committee, which have the responsibility in analyzing and managing risk in order to specify the preventive measurement in risk management to be in an acceptable level, and continuously monitored the effectiveness and efficiency of risk management. The Audit Committee reports this progress to the Board of Directors every quarter.
13. Continuously develop knowledge and ability to perform work and attend training or participate in courses related to the performance of directors' duties or seminars that are continuously increasing knowledge of work performance.

**Responsibilities of the Chairman** are as follows **(CG Code 3.2.3)**

1. Supervise, monitor and ensure that the duty of the Board is efficient and achieve the objectives and main goals of the Company.
2. Ensure that all directors are involved in promoting ethical corporate culture and good corporate governance.
3. Set the board meeting agenda by discussing with the managing director and having measures to ensure that significant issues are included in the meeting agenda.
4. Allocate sufficient time for the management to propose enough matters for directors to carefully discuss significant issues, to encourage the directors to express their opinions carefully and freely.
5. Strengthen the good relationship between executive directors and non-executive directors, and between the board and management.

**Responsibilities of the Managing Director**

1. Be responsible for the Company management in accordance with the resolutions of the Board of Directors, and other responsibilities as assigned by the Board of Directors.
2. Approve and sign on expenditures documents under the credit limit according to the rules of approval signing with determined credit limit.

3. Be responsible for ensuring that the Company has accurate accounts and financial reports that are fully disclosed.
4. Be responsible for the actual counting of inventory and proper inventory control.
5. Be responsible for monitoring debtor's repayment and controlling outstanding debts according to the debt repayment schedule.
6. Prepare an annual budget plan with a target return.
7. Conclude the operating results report including presenting the monthly and quarterly financial statements to the Board of Directors.
8. Perform any various matters that have been approved by the Board of Directors..

### **Term of Office of the Board of Directors**

1. Determine the directors holding positions for 3 years
2. In each annual ordinary meeting, one-third of the total number of the board members will be at the end of their terms. If the number of the board cannot be exactly divided, the closet number to one-third will suffice.
3. The director who has to resign in the first year and second year after the company's registration will need to draw lots. In the following year, the director with the longest position has to resign. The director who expires from the term of office can be nominated for the position in the board again.
4. Other than expire from the term of office, the director terminated from the following reasons:
  - He/she pass away.
  - He/she resigned from the board.
  - Lack qualifications and posed a prohibit characteristics which defined by law.
  - The shareholders vote of not less than three-quarters of the overall votes in the shareholders' meeting and have the overall stocks not less than half of the total shares of the overall voting at the shareholders' meeting.
  - He/she was dismissed by the court order.
5. The director who resigned from the Board, need to submit the resignation letter to the company. The resignation will be effective from the day the letter has been submitted.

## Appointment of Directors of the Board

1. In selection on the Board of Directors, the persons who have been nominated are already considered by the Nomination and Remuneration Committee who recruited the appropriated qualified persons, will be proposed to the Board of Directors for approval prior proposing to the shareholders at the Annual General Meeting for further selected at director selection agenda. The implementation of the articles of association as follows.

- 1) One shareholder has one vote per one share
- 2) In the directors' election, the method in electing is either done by elected one individual director or to elect one group of director, until the number of directors are completed the requirement, with the respect to the resolution of the shareholders' meeting. But in each vote, the shareholder must vote with total existing votes as the topic 1), all votes can not be separated and given to any persons or groups.
- 3) The voting in the directors' election will use majority vote, if the number of votes are equal, the chairman of the meeting will be the arbiter.

The 30th Annual General Meeting of Shareholders held on 19<sup>st</sup> April 2023 resolved to extend the terms office of the directors of the Board for another term with the following directors:

1. Mrs. Nuntawan Sakuntanaga
2. Mrs. Siriporn Luangnual
3. Mr. Vacharaphong Darakananda

**For the past 5 years**, directors, executives and authorized persons has complied with the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546 by;

- (1) No act of dishonesty or gross negligence
- (2) No disclosure or disseminating the false information or concealing factual information that should be disclosed in significant matters which may affect the decision making of shareholders, investors or related persons.

(3) There is no unfair act or taking advantage of investors in securities or derivatives trading, or having or having been involved in or supported such action.

### 7.3 Sub-committees

The Board of Directors has appointed directors who are knowledgeable and appropriately expertise to serve as sub-committees in various fields to assist in the corporate governance of the Company, by studying the details and the scope of work which each sub-committee is responsible to increase the operating efficiency of the Board of Directors, because they can consider and discuss issues with more specific details. Sub-committees will regularly report each meeting results to the Board of Directors' meeting for acknowledgment and report the annual performance over the past year to the shareholders.

At present, there are 2 Sub-committees of the Company as follows:

- **Audit Committee (CG Code 6.2.1)**

Qualifications and Composition of the Audit Committee:

1. The Audit Committee is composed of the independent directors according to the definition of the Company, who are appointed by the Annual General Meeting of the Company or the Board of Directors which appointed one of them acting as the Chairman of Audit Committee.
2. Not being the director assigned by the Board of Director to make decision on the operations of the Company, Parent Company, Subsidiary Company, Associated Company, Same Level Subsidiary Company, Major Shareholder or the Authorized persons of the Company.
3. Not being the director of the Parent Company, Subsidiary Company or Same Level Subsidiary Company which are listed company only.
4. The Audit Committee has to consist of at least three directors, with Mrs. Nuntawan Sakuntanaga, the Chairman of the Audit Committee Mrs. Nuntawan Sakuntanak, Chairman of the Audit Committee who have knowledge and sufficient experience to review the reliability of financial statements.
5. The Audit Committee has to have other qualifications, as prescribed by the Securities and Exchange Commission (SEC), in addition to the qualifications and specific characteristics of the Audit Committee, and the Independent Director as well.

Term of Service: The office term of Audit Committee is 3 years. The Audit Committee members who vacate upon the expiration of the office term, may be re-appointed. When the Audit Committee member is vacant as a result of reason other than the end of office term, the Board of Directors shall appoint any person with fully qualifications to be the Audit Committee member in order for the number of committee members to be fully size as prescribed by the Board of Directors. This person will be the Audit Committee member for the remaining office term of the resigned audit committee only.

No.	Name-Surname	Qualification	Position
1	Mrs. Nuntawan Sakuntanaga	Independent Director	Chairman of the Audit Committee
2	Mr. Wanchai Rattanawong	Independent Director	Audit Committee
3	Mr. Siriporn Luangnual	Independent Director	Audit Committee

The Board of Directors has established an internal audit office which is a section within the Company under a chain of command of the Audit Committee, operates according to the audit plan and reviews the internal control system. The Audit Committee quarterly summarizes the audit results of the Internal Audit Office to the Board of Directors' meeting for acknowledgment.

The Internal Audit Manager of the Company is Mr. Nattpawatch Thomwan appointed as the Secretary of the Audit Committee.

With the resolution of the Board of Directors' meeting No. 12/2020 on 23<sup>rd</sup> December 2020 approved the use of the audit committee regulations instead of the regulations on 15<sup>th</sup> November 2017.

**Charter of the Audit Committees with Duties and Responsibilities ((CG Code 6.2.2, 7.1.2) as following;**

1. Review the Company's financial statement to ensure its' accuracy and adequacy to be in accordance with accounting standard.
2. Review that the Company has an appropriate and effective internal control system and internal audit system and consider the independence of the internal audit unit, as well as approve the appointment, rotate or dismiss an internal audit manager.
3. Review that the Company complied with the Securities and Exchange Act, regulations of SET and other related regulations concerning with the business operation of the Company.
4. Nominate, select, terminate the employment of appropriate independent authorized auditor to act as the Company's auditor and propose remuneration for that individuals. In addition, attending the meeting with the auditor without management party of the company at least once a year.
5. Examine that all connected transactions and other transactions with a conflict of interest have been complied with laws and regulations of SET to ensure that all transactions are reasonable and will generate the best benefits for the Company.
6. Review the correctness of reference documents and self-assessment on anti-corruption of the Company according to Thai Private Sector Collective Action Coalition against Corruption (CAC).
7. Provide the Audit Committee report in the annual report of the Company. The mentioned report shall be signed by the chairman of the board and should at least comprise with the information listed below:
  - (1) Opinion on the accuracy, completeness and credibility of the Company's financial report.
  - (2) Opinion on the adequacy of the company's internal control system and risk management system.

- (3) Opinion on the compliance with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand or other laws which related to the Company's business.
  - (4) Opinion on the suitability of the Company's external auditors.
  - (5) Opinion on the transaction that might have a conflict of interests.
  - (6) Frequency of the audit committee meetings and the attendances of each committeeman.
  - (7) Opinion or overall observations that the Audit Committee received from the operation as the charter or the regulations of the Audit Committee.
  - (8) Other transactions that the shareholders and investors should be aware of within the scope of authorities which has been assigned by the Board of Directors.
8. Inform the executives to resolve the errors that have been detected and also quickly solve those errors.
9. Follow up and evaluate the performance in which the audit committee seen as important.
10. Other operations that have been assigned by the Company's Board of Directors.

- **Nomination and Remuneration Committee**

: is composed of two directors who have been appointed by the Board of Directors, consisting of two-third of independent directors, representing 66.67 percent, for the transparency and independence in operating their duties. Chairman of the Nomination and Remuneration Committee is an Independent Director and is not the Chairman of the Board of Directors. **(CG Code 3.3.1, 3.4.1)**

Mrs. Chadaporn Jiemsakultip, Company Secretary, is assigned to be the Secretary of the Nomination and Remuneration Committee.

No.	Name-Surname	Qualification	Position
1	Mr. Wanchai Rattanawong	Independent Director	Chairman of the Nomination and Remuneration Committee
2	Mrs. Siriporn Luangnual	Independent Director	Nomination and Remuneration Committee

**Duties and Responsibilities of the Nomination and Remuneration Committee:**

1. Determination on criteria and methods for nominating the Board of Directors. **(CG Code 3.3.2)**
2. Duties in recruiting and select the qualify individuals and propose the name to be nominate as new director to the shareholders' meeting for approval as a Director. **(CG Code 3.3.2)**
3. Specify method of remuneration for directors. **(CG Code 3.4.2)**
4. Determine the remuneration and its forms for directors and propose to the Board meeting for consideration. **(CG Code 4.3)**
5. Specify criteria and methods for recruiting suitable person to be a Managing Director. **(CG Code 4.1.1)**
6. Review criterias and methods for nominating directors to propose to the Board of Directors prior to the selection of directors who complete their terms. In case the Nomination Committee nominates current directors, they will also consider the performance of such directors. **(CG Code 3.3.3)**



## 7.4 The Details of Executives

Chief Executive Officers of the Company have the authority to perform the operation under policy, strategy and objective determined by the Board of Directors.

Moreover, they have responsibility in expenditure controls and investments on the scope of work as the approval of the Board of Directors in the annual plans, operate in compliance with human resources policy, resolving problems or any conflicts affecting the organization, and maintain efficient communication to related persons.

- There is a clear definition on the duties and responsibilities of the Board of Directors and the Executive Committee. Chairman of the Board is not the same person as the Managing Director and has no relationship with the executive committee in order to separate their roles.
- There is a clear segregation of responsibilities between the Board of Directors and the Executive Committee, resulting to no intervention on their duties and responsibilities.
- There is a clear definition on the authorities of the Executive Committee at each level in writing by strictly separating the responsibilities whether the approval, accounting transaction record and asset protection for rechecking and balancing.
- Chief Executive Officers of the company have never been employees or partnerships of EY Office Limited which the Company had been using the service for auditing for the past 2 years.

Name – Surname	Position
1) Mr. Nattapon Yangyuen	Managing Director
2) Mr. Sikavej Sopaphan	Assistant Managing Director
3) Mr. Wiwat Jongkonrat	Accounting & Finance Division Manager (who has the highest responsibility in accounting and finance)
4) Miss Warunee Khumtong	Quality Assurance Manager
5) Mr. Wannapong Kanacharoen	Braid and Webbing Production Manager

Note: According to the Notification of the Securities and Exchange Commission No. KorChor. 17/2551, the definition of “executive” means a director, a manager, or the next four executives succeeding the manager, a person holding equivalent position to the fourth executive, including a person holding the position of manager or equivalent in accounting or finance departments.

## **1. Mr. Sikavej Sopaphan**

**Age:** 44 years

**Position:** Human Resources Manager (Appointed on January 1<sup>st</sup>, 2016)

**Education:**

- Bachelor's degree of Engineering Program (Chemical Engineering), Kasetsart University
- Master's degree of Business Administration (General Management), Ramkhamhaeng University
- Master's degree of Human Resource and Organization Development, National Institute of Development Administration

**Proportion of shareholding:** None

**Family relations between directors and executives:** None

**Experience:**

- 2007-2009 Assistant Environment and Safety Manager, Union Pioneer Public Company Limited
- 2010-2011 Assistant Human and Resource Section Manager, Union Pioneer Public Company Limited
- 2012-2015 Human and Resource Section Manager, Union Pioneer Public Company Limited

**Current Position:**

- 2016-Present Human Resources Division Manager, Union Pioneer Public Company Limited
- 2023-Present Assistant Managing Director

## **2. Mr. Wiwat Jongkonrat**

**Age:** 44 Years

**Position:** Accounting & Finance Manager (Appointed on January 1<sup>st</sup>, 2017)

Chief Financial Officer (CFO) (Appointed on January 1<sup>st</sup>, 2017)

**Education:**

- Bachelor's Degree, Business Administration (Accounting), Rajamangala Institute of Technology
- Master's Degree, Economics, Ramkhamhaeng University

**Proportion of shareholding:** None

**Family relations between directors and executives: None**

**Training in 2023:**

**Dharmniti Seminar & Training Company Limited**

- Accounting for BOI company  
(Online training, 3 hours of CPD in accounting, 3 hours of CPD in other fields)
- Data Analytics  
(Online training, 6 hours of CPD in accounting)
- Update TFRS 2023  
(Online training, 6 hours of CPD in accounting)

**Experience:**

- 2013 – 2014            Internal Audit Supervisor, Union Pioneer Public Company Limited
- 2015 – 2016            Internal Audit Section Manager, Union Pioneer Public Company Limited

**Current Position:**

- 2017-Present            Accounting & Finance Manager, Union Pioneer Public Company Limited and appointed as a Chief Financial Officer (CFO)

**Opinion of the Audit Committee regarding training courses and work experience of the Chief Financial Officer (CFO)**

For the training courses of the Chief Financial Officer (CFO) the Audit Committee considers that such courses are consistent and beneficial to the company and the number of training hours of such courses is according to the Federation of Accounting Professions.

For the work experience of the Chief Financial Officer (CFO), the Audit Committee considers that such experience is directly beneficial to the business operation and the duration of such work is in accordance with the announcement.

### 3. Miss Warunee Khumtong

**Age:** 46 years

**Position:** Quality Assurance Manager (Appointed on January 1<sup>st</sup>, 2019)

## Education

- Bachelor's Degree, Science in Chemical Engineering, Chulalongkorn University
- Master's Degree, Business Administration (Innovation Management), Ramkhamhaeng University

**Proportion of shareholding:** None

**Family Relations with Other Directors:** None

**4. Mr. Wannapong Kanacharoen**

**Age:** 57 years

**Position:** Braid and Webbing Manager (Appointed on September 9<sup>th</sup>, 2023)

## Education

- Bachelor's Degree, Computer Science, Rajabhat Rajanagarindra University
- Master's Degree, Business Administration, Kasem Bundit University

**Family Relations with Other Directors:** None

**Experience:**

- 1989-2003 Production Planning Officer, Quality Assurance Officer, Data and Documentation Officer, Dyna Metal Co., Ltd.
- 2003-2006 Assistant Braid Section Manager, Union Pioneer Public Co., Ltd.
- 2006-2023 Braid Section Manager, Union Pioneer Public Co., Ltd.

## Current Position

- 2023-Present Braid and Webbing Manager, Union Pioneer Public Co., Ltd.

## **5. Miss Thirada Malithong**

**Age:** 44 years

**Position:** Accounting Section Manager (Appointed on October 1<sup>st</sup>, 2022)

Chief Accountant (Appointed on May 1<sup>st</sup>, 2022)

### **Education**

- Bachelor's Degree, Bachelor of Accounting, Sripatum University

**Proportion of shareholding:** None

**Family relations between directors and executives:** None

**Training in 2023:**

#### **Stock Exchange of Thailand**

- PromptBiz System for Trade Payment & Supply Chain
- TFRS Standard 2023 for the listed company

#### **Federation of Accounting Professions Under The Royal Patronage of His Majesty The King**

- TFAC Annual Meeting 2023  
(Online training, 2 hours of CPD in accounting)

#### **Dharmniti Seminar & Training Company Limited**

- Planning and Process Improvement for Quality Accounting  
(6 hours of CPD in accounting)
- Financial Statement Preparation, Closing Entry Preparation, Financial Statement Presentation in accordance with Financial Statement Report Standard  
(Online training, 6 hours of CPD in accounting)

#### **Thai Investors Association**

- Climate Change Impact on Business  
(Online training, 2 hours of CPD in accounting)

### **EY Company Limited**

- CFO & Tax Forum “Leading through change”

#### **Experience:**

- 2021 – 2023      Accounting Section Manager, Union Pioneer Public Company Limited
- 2021 – 2023      Chief Accountant, Union Pioneer Public Company Limited
- 2013 – 2017      Senior Accountant, Biomin Co., Ltd.
- 2010 – 2012      Senior Accounting & Financial, Major Development Public Co. Ltd.
- 2007 – 2010      Accounting Officer, Marutomo Electronic Public Co. Ltd.

#### **Current Position:**

- 2021-Present      Accounting Section Manager, Union Pioneer Public Company Limited
- 2021-Present      Chief Accountant, Union Pioneer Public Company Limited

### **Opinion of the Audit Committee regarding training courses and work experience of the Chief**

#### **Accountant**

For the training courses of the Chief Accountant, the Audit Committee considers that such courses are consistent and beneficial to the company and the number of training hours of such courses is according to the Federation of Accounting Professions. She has the qualifications and conditions of being an accountant in accordance with the rules prescribed in the Notification of the Department of Business Development.

For the work experience of the chief accountant, the Audit Committee considers that such experience is directly beneficial to the business operation and the duration of such work is in accordance with the announcement.

## **Remuneration Policy of Executive Director and Executives**

The Board of Directors has established the remuneration structure which is the motivation for the managing directors, chief executives, and every level of employees to work consistently with the purposes and the Company's benefit in long term by;

- Considering the appropriate proportion of salary, other short-term benefits such as bonuses and long-term benefits such as provident fund paid to employees when retirement in addition to retirement pension. (if working until retirement)
- Determining the remuneration policy from the remuneration level of a comparable business in the similar industry, as well as the operating performance of the Company.
- The Company has a policy regarding the criteria for annual performance assessment which all levels of personnel are aware of.

### **Total remuneration of executive directors and executives**

The remuneration of Managing Director and Executives is in accordance with the principles and policies that have been determined by the board of directors, which will be considered from the operation results of the company, including duties and responsibilities and the performance of each executive. The remuneration for the 5 executives such as salary, bonus and social securities in the total amount of 6,901,566.52 Baht (6,381,466.50 Baht in the previous year).

Besides salary and bonus as mentioned, the company had paid the 5 executives in form of provident fund as in 3 percent of the salary in year 2021 total of 104,976.00 Baht managed the fund by BBL Asset Management Co., Ltd. (96,336.00 Baht in the previous year).

The Company does not have a program to offer the warrants issued to purchase ordinary shares to executives and employees (ESOP).



## 7.5 The Details of Employees

### Personnel Structure

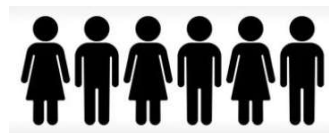
The Company has 512 employees as of 31<sup>st</sup> December 2023.



236 female production workers



135 male production workers



141 office workers

In 2023, the Company employed 4 disable persons and paid contributions under Section 34 to the Fund for Promotion and Development of the person at the amount of 128,845.00 baht.

persons and paid contributions under Quality of Life of Disable Persons for 1

In 2023, the employee turnover rate of the

Company is 2.78%.

The Company has reviewed and planned the annual manpower rate for sufficient and appropriate personnel preparation to the work quantities forecasted in each year.

For the past three years, there has been no significant change in the number of employees of the Company and there is no labor dispute.

### Total Employee Compensation

In 2023, the Company paid compensation to employees totaling 153 million baht, which included salary and wages, subsidies, resignation allowances. Social Security Contribution Provident fund contributions, gratuity, compensation fund contributions

## Personnel Development

The Company has a plan to develop personnel to have knowledge and expertise in working by surveying the training needs of employees (Training Needs), recruiting courses that will provide knowledge of work-related, and has an annual training plan which will help develop personnel and help increase operational efficiency.

Last year, the Company encouraged and supported the Company's Managing Director and executives to receive training and development in order to increase their knowledge and experience in various fields that are beneficial and applied to their operations as follows. (CG Code 4.1.4) as following;

Items	Executives who have developed knowledge with Total training hours-courses in 2023	Number of hours
1	Industrial Digital Transformation	4.0
2	Introduction of CE and UKCA Marking	2.0
3	Operational Guidelines for BOI company	13.0
4	PDPA in action (Personal Data Protection Act)	13.0
5	Thailand Industry towards Industry 4.0 with AIoT Technology	6.0
6	PDPA Solutions with ISO/IEC27701	2.0
7	Discipline and Punishment Management	6.5
8	Labor Protection Act 1998 and revision against current situation	6.5
9	Carbon Offsetting Program Expansion	12.0
10	Innovation for Circular Economy	6.5

11	Net Zero Emissions Business Opportunity	5.0
12	Automation in Manufacturing Industry	19.5
13	Hydrogen : The clean fuel of the future	3.0
14	Global POP PFAS restrictions	6.5
15	Global POP Brominated flame retardants restrictions	6.5
16	POPs free flame retardant EPS foam instruction for use	6.5
17	Integration is king : Source of funds and Rules & Regulations of medical devices market	7.0
18	Carbon Footprint for Organization (CFO)	7.0
19	Technology and Innovation of Bioeconomy	7.0
20	Introduction of Thermoplastic Natural Rubber	14.0
21	Industrial Waste Management 2023	6.5
22	Facilitating the Growth of Thailand's Carbon Market Seminar	3.0
23	Trend, Opportunities and Challenges in ESG	6.0
24	Sales and Profit Increase	6.0
25	Safety Officer in Management Level	26.0
26	Enhancing the enterprise to be a sustainable environmentally friendly enterprise	13.0
27	Risk Management in Customs Process 2023-4	6.0
28	Director Accreditation Program : DAP	7.0
29	NET ZERO : Business opportunities and challenges	6.0

30	2023 chemSHERPA online workshop for users in Thailand	6.0
31	CFO & Tax Forum Leading through change	5.0
32	Climate change impact on business	18.0
33	Planning and Process Improvement for quality accounting	6.5
34	TISTR driving your infinite success : Moving towards sustainable success	6.0
35	Online Marketing Technic to create new customer base for B2B	4.0
36	PromptBiz system for Trade Payment & Supply Chain	4.0
37	Internal Audit in a quick and ever-changing world	6.5
38	Accounting for BOI Company	6.5
39	Data Analytics	6.5
40	HIGG FEM standard for CFCs Management and Control	6.0
41	TFRS Standard 2023	5.0
42	Update TFRS 2023	6.5
43	How to expand your textile customer with International Accreditation (Oeko-Tex Mark)	3.0
44	Organizational Development towards circular economy - 2 <sup>nd</sup> year	5.0
45	First Aid & CPR	4.0
46	AI application for new industry	5.0
47	Import & Export system and Duty & Customs Process	13.0

48	Financial Statement Preparation, Closing Entry Preparation, Financial Statement Presentation in accordance with Financial Statement Report Standard	7.0
	Total	356.5

### Human Resource Management Policy

The Company considered all employees as essential and valuable resources, which leads to success, growth and secured sustainable developments; as for selecting individuals that were qualified and suitable for each career fields. Human resources development in management, academically and in organization culture including creating good working atmosphere and environment and safety was essential, therefore the guidelines have been established as follows:

Manages human resources to conform and support with the policies, vision, missions, business goals and strategies of the Company.

1. Systematizes and organizes human resources management accompanied with stipulating rules and regulations to be clear, transparency, fairly, following with the same guideline within the Company.
2. Specifies all commanders to manage human resources under their own department according to the system and guidelines determined by the Company.
3. The Company specifies all employees to carry out their duties willfully and dedicate for achievement in work with their skill, knowledge, capability by retaining Code of Conduct, Core Value and operation regulation of the Company.
4. The Company strictly treats the employees according to the International Human Rights as standard giving equality to every employee without discrimination on gender, nationality, ethnic, social class, religion, belief, social status, disability, pregnancy and chronic illness along with laws and regulation related to the employees.

5. The Company has no policy in employing child labors (“Child” means any person under the age of 15 or under the age of compulsory graduation or under the legal minimum employment age, whichever is highest) . For recruitment and selection, the Company considers qualifications, abilities, and experience suitable for the required position to fulfill the manpower planning for each department. If the Company employs workers under the age of 18 (Child Labor), the Company will notify the government agencies and prescribe to work in safety place or as required by law, including not allowed to work in the night shift, overtime and holiday working.
6. The company recruitment procedures determine the thorough method of age checking of the applicant. In case of child labor found, the company will act as follows;
  - Stop that child from working immediately and take him/her to the safe place.
  - Contact the parent immediately and invite them to the company. Give them a clarification of company recruitment policy.
  - Pay the wage and compensation in accordance with the law.
  - Support the child labor to get back to the educational system.
  - Support the family of the child labor by offering the job in the company or other appropriate jobs that will help them to have the income for living.
  - When the age of the child labor reaches the workforce level, ask him/her if he/she prefers to get back to work in the company. If yes, the company will employ him/her.
7. The Company has no compulsory labor policy and does not encourage forced labors by forcing to work overtime, holding the insurance money or the documents insured in any work. Every procedure should be made and conduct willingly by the employees, only by which they agreed and signed for the agreement.
8. The Company has no policy to employ illegal foreign workers. For employing foreign workers the Company will provide fair treatment likely Thai workers in all respects and there is

absolutely no discrimination, no coercion or seizure of passports or work permits of all foreign workers.

9. The Company considers to pay wages, compensation and welfare to employees not less than those required by law. There is no policy to punish employees by deducting wages.
10. The Company does not support the use of violence or inhumanity, including sexual harassment, sexual abuse, severe punishment, mental or physical intimidation or verbal abuse against employees or even threats to do.
11. The Company promotes and encourages employees to develop their skill, knowledge, ability through training and development course both in-house training and outsourcing frequently and thoroughly, providing opportunity for career path by latency for each employee.
12. The company provides reasonable and fair remuneration management based on the knowledge, ability, experience, responsibility and performance of each employee.
13. The company sets up processes of appointment, migration, evaluation including fair rewards and punishment to employee equally with equitably, honesty on the fundament of knowledge, ability and appropriation including the action or performance of that employee.
14. The Company aim to establish the relationship between the employees and organization by emphasizing that all the employees within the organization as family; for employees to be delighted, secure in work, having good health and good quality and life.
15. The Company provides facilities for employees and makes them emphasize on saving in advance for retirement by setting up Credit Union and provident fund for employees.
16. The Company respects on the rights of employees in collective negotiating and does not forbid the free association of employees in the absence of law prohibiting the association of this nature. Both supporting the association and negotiating freely, it will be based on the terms of collective negotiating and protecting the employees and their representatives who join the association independently and equitably.
17. The Company provides rights for employees to vote for electing representatives of the employees to take part in meeting sessions or to negotiate with the company by which each individuals holds 1 vote per person.

18. The Company encourages participation of employees by hearing out opinions and suggestions from employees in every level equally.

19. The Company provides rights for employees to make petition in case human right violations or they were treated unfairly according to the system and method specified, insure actions for complainers that their complaints will be kept secret by arranging channels for petition as following;

- Complaint box (red box) installed at various places in the Company
- Email :[whistleblowing@unionpioneer.co.th](mailto:whistleblowing@unionpioneer.co.th) to Audit Committee
- Letter to Audit Committee

Union Pioneer Public Company Limited

No. 1 Soi Serithai 62, Khwang Minburi, Khet Minburi, Bangkok 10510


- Hotline directly to Managing Director: +66-2517-0105-8 ext. 111

#### **Relationship between management and trade union (if any)**

Although the Company has not established a trade union, there is an election of the Welfare Committee at the workplaces for a term of 2 years in accordance with Section 97 of the Labor Protection Act B.E 2541 (1998), where all routine employees have the right to apply and elect the Welfare Committee at the workplace, that is elected by an employee committee to conducts election for transparency.



## Other Significant Information

<p>Investor Relations</p> 	<p>The Company provides opportunities for shareholders and investors to communicate and inquire about news and important information for their rights and understanding on the Company's business. The Company's investor relations acting as a representative of the Company in communicating with shareholders and providing convenience to investors and general securities analysts equally, through the following channel;</p> <p>Mr. Wiwat Jongkonrat, Accounting and Finance Manager (CFO)  Telephone no : (66)2 517-0105 to 8 ext. 211 or Fax no.: (662) 517-1016  E-Mail : wiwat@unionpioneer.co.th</p>
<p>Chief Financial Officer</p>	<p>Mr. Wiwat Jongkonrat since 1<sup>st</sup> January 2017</p>
<p>Chief Accountant</p>	<p>Miss. Thirada Malithong since 1<sup>st</sup> May 2022</p>
<p>Head of Internal Audit Office, Staff of the Company</p>	<p>Mr. Nattpawatch Thomwan since 1<sup>st</sup> September 2016</p>
<p>Company Secretary, Chief Compliance Officer</p>	<p>On 18<sup>th</sup> November 2015, a meeting of the Board of Directors of the Company resolved to appoint Mrs. Chadaporn Jiemsakultrip served as Company Secretary, effective on 1<sup>st</sup> January 2016. She was assigned to be Chief Compliance Officer, who is responsible for providing legal advice and various related rules and practices in relation to the supervision of the Board of Directors' activities to be in accordance with the law.</p> <p>Telephone no. : (66)2 311-5111 ext. 7688 or Fax no.: (66)2 311-6867  E-Mail : aor.sahaunion@gmail.com</p>
<p>Auditor's Remuneration</p>	<p>According to the Public Company Act and Article 51 of the Company's Articles of Association stipulates that the annual general meeting of shareholders determines the amount of audit fees of the Company annually. In 2023, the AGM resolved to determine the remuneration as follows:</p> <p>(1) The Company paid the auditor's remuneration to EY Office Limited which is the auditing office that the auditors are affiliated with. The Company does not</p>

pay the audit fee directly to the auditor or the person/business related to the auditor.

	2023	2022	2021	2020	2019
Quarterly Review	100,000	100,000	100,000	100,000	100,000
Total value of 3 quarters	300,000	300,000	300,000	300,000	300,000
Yearly Audit	820,000	810,000	810,000	810,000	780,000
Annual Total	1,120,000	1,110,000	1,110,000	1,110,000	1,080,000

(2) The Company did not pay other service fees to the auditors.



### **Board of Directors' performance in the past year.**

In the past year, the board has continuously monitored business operations to comply with good corporate governance policies and practices, including equitable treatment of shareholders, taking care of employees, non-discrimination, anti-corruption, environmental health and safety care, etc. The company has implemented according to guidelines with performance evaluation report summarized in five sections as below:

#### **1. Rights of shareholders**

- 1.1 The Right to receive share certificates and rights from selling or transferring shares
- 1.2 The right to attend the shareholders' meeting
- 1.3 The right to consider the remuneration of directors
- 1.4 The Right to appoint an auditor and set up auditor services remuneration.

#### **2. Equitable treatment of shareholders, protection for the rights of shareholders.**

- 2.1 The right to propose matters to be included in the agenda and submit inquiries about the company in advance.
- 2.2 Facilitating the appointment of the proxy

#### **3. Role of Stakeholders**

- 3.1 Shareholders                      3.2 Business partners and creditors                      3.3 Customers
- 3.4 Competitors                      3.5 Employees
- 3.6 Community, Society and Environment                      3.7 Government Sector

#### 4. Disclosure and Transparency

##### 4.1 Shareholding Structure

##### 4.2 Reporting of securities holdings of directors and executives, both directly and indirectly

##### 4.3 Report on with/without interest of directors

##### 4.4 Disclosure on the use of inside information and confidentiality

##### 4.5 Connected Transaction and Related Transaction.

##### 4.6 Communication channels

##### 4.7 Investor Relations

#### 5. Responsibilities of the Board of Directors in the past year

- There was no unfair connected transaction that subjects to official agency alerts investors to use discretion in making decisions
- The company did not have any unusual securities trading behavior by the directors' actions or executives who have been convicted and declared guilty by the SEC

Additional follow-up guidelines for Good Corporate Governance Practices are as below:

#### **Nomination, Development and Performance assessment of Board of Directors.**

#### **Independent Directors**

The current board of directors consists of three independent directors. The independent directors must not act as executives; they are independent of the management and shareholders, do not have a business relationship with the company which may limit their independent opinion, and must have qualifications as specified in the notification of the Capital Market Supervisory Board.

## **Independent Directors Definition according to the minimum requirements of the SEC**

- 1) Holding shares not over one percent of the total shares with voting right of the applicant for license, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant for license, however, it includes shareholding by related persons of the independent director also.
- 2) Not being or has been a director with management participation on employees, consultant with regular salary or authorized person of the applicant for license, holding company, subsidiary, affiliation, subsidiary in the same level, major shareholder or of authorized person of the applicant for license, except relieved from aforesaid characteristic at not less than two years before submitting permission to the Office. However, the prohibited characteristics do not include that of civil service or consultant of government body holding major shareholding or authorized person of the applicant for license.
- 3) Not being a person of whole blood or registration stated in the law, in the manner of being father or mother, spouse, brotherhood and offspring including the spouse of the offspring of the management, major shareholder, authorized person or person designated to be management or authorized person of the applicant for license or subsidiary.
- 4) Not have or has been in business relation with the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant for license, in the manner that may obstruct the independent exercise of discretion including in not being or has been a significant shareholder or authorized person of the person with business relationships with the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant, except relieved from aforesaid characteristics at not less than two years before the date of submission for permission from the Office. The business relation in paragraph one includes trade transactions in a normal business, rent or lease on items related to asset or service or in giving or receiving financial assistance through acceptance or lending, guarantee, granting asset as debt security including similar behavior resulting in the applicant or contract party with debt burden to be settled with another party from 3% of net tangible asset of the applicant or from twenty million baht up, as which amount is lower. However, the debt burden calculation shall be in value calculation on related items as announced by the Securities Exchange Commission on Rules of Related Items, by mutatis

mutandis. But the consideration of such debt burden shall include debt burdens incurred at one previous year before the date of business relationship with the same person.

- 5) Not being or has been the auditor of the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant in attachment, except relieved from such characteristic at not less than two years before the date of submission for permission from the Office.
- 6) Not being or has been any professional provider which includes legal consulting or financial consulting with service fee over two million baht a year from the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant, and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristic at not less than two years before the date of submission for permission from the Office.
- 7) Not being a director appointed to be the agent of the director of the applicant, major shareholder or shareholder with relation with the major shareholder.
- 8) Not operating similar or significant competitive business to the business of the applicant or subsidiary or not being a significant partner in the partnership or directorship with management participation on employees, a consultant with regular salary or holding shares over one percent of the total shares with voting right in other company, operating a business similar or competing with business of the applicant or subsidiary.
- 9) Not having other characteristics that will hinder free independent opinion in relation to the operation of the applicant.

After the appointment to be an independent director with the characteristics as stated in paragraphs one (1) to (9), the independent director may be assigned from the committee to make decisions on the business operation of the applicant, holding company, subsidiary, affiliation, subsidiary of the same level, major shareholder or authorized person of the applicant under the method of collective decision.

## **Nomination of the Directors and Executives.**

The nomination and remuneration committee sets the recruiting policy and selection criteria of directors and executives before providing recommendations to the Board of Directors and shareholders. The policy and criteria will be according to the company's regulations, rules, and good corporate governance. The new applicant should have various professional skills and experience to enhance the diverse qualification of the structure of the board of directors, which will benefit the company's business. In the meantime, conflict of interest is an issue to be considered in applicant selection.

The consideration criteria are as below:

- 1) Having qualifications conforms to the Public Limited Act, the Securities and Exchange Act, rules of the Securities and Exchange Commission, laws of the Stock Exchange of Thailand, and the Company's corporate governance principles.
- 2) Having knowledge, capabilities, independence, ability to perform duty with caution and honesty (Duty of care and duty of loyalty), able to fully devote time to the company, mature and with proper qualification, good mental and physical health, be explicit, creative and courage to express an opinion at meetings, or be a reputable businessman that possesses the experience and good ethics.
- 3) Having at least one of the critical competencies such as company business, accounting, and finance, strategic management, good corporate governance, laws, and regulations.

## **Board of Directors' Performance Assessment**

The board of directors' performance has been assessed regularly individually and collectively once a year. The sub-committee will be assessed on a collective basis regularly once a year. The assessed results will be gathered by the secretary of the sub-committees and company secretary, then reported the entire committee to review their performance, issues, and obstacles that have arisen in the past year, which lead to the development and improvement of the Board of Directors' performance according to good corporate governance principle. The annual performance assessment result will be disclosed in the annual report. (CG Code3.7.2)

### The assessment of the Board of Directors' performance on a collective basis

Assessment Principle	Assessment Process
The assessment is comprised of 6 main topics according to the guidelines of the Stock Exchange of Thailand as below:	1. The collective basis assessment will be done regularly once a year.
1) Structure and qualification of the board. 2) Roles, duties, and responsibilities of the board. 3) Board meeting 4) Performance duties of the board 5) Relationship with management	2. The company secretary would summarize and submit the collective board performance assessment result to the nomination and remuneration committee for consideration and be used to resolve and increase the efficiency in work.
6) Self-development of directors and development of executives.	3. The nomination and remuneration committee would submit the collective performance assessment result and improvement guideline for operational efficiency to the board.

In the past year, the average collective assessment score is **99.00**

### The assessment of the Board of Directors' performance on an individual basis

Assessment Principle	Assessment Process
The assessment is comprised of 3 main topics according to the guidelines of the Stock Exchange of Thailand as below	1. The individual basis assessment will be done regularly once a year.
1) Structure and qualification of the board. 2) Roles, duties, and responsibilities of the board. 3) Board meeting	2. The company secretary would summarize and submit the individual board performance assessment result to the nomination and remuneration committee for performance assessment consideration and be used to resolve and increase the efficiency in work.
	3. The nomination and remuneration committee would submit the performance assessment result and improvement guideline for operational efficiency to the board.

In the past year, the average individual self-assessment score is **99.15**



## The assessment of the sub-committees performance

### Nomination and Remuneration committees' performance on a collective basis

Assessment Principle	Assessment Process
<p>The assessment is comprised of 3 main topics according to the guidelines of the Stock Exchange of Thailand as below</p> <p>1 ) Structure and qualification of nomination and remuneration committee.</p> <p>2) Roles, duties and responsibilities of nomination and remuneration committees.</p> <p>3) Nomination and remuneration committees meeting.</p>	<p>1. The company secretary shall send the self-assessment form to all members of the nomination and remuneration committees regularly once a year.</p> <p>2. The company secretary would compile the result of each member and summarize them to the nomination and remuneration committees and the board of directors.</p> <p>3 . The nomination and remuneration committee would consider the performance evaluation with the board of directors and provide improvement suggestions to increase performance efficiency.</p>

In the past year, the collective self-assessment of nomination and remuneration performance scores is **94.12**

### The assessment of Audit Committee performance on an individual basis

Assessment Principle	Assessment Process
<p>The assessment comprises four main topics. Three are according to the Stock Exchange of Thailand guidelines, and the other one is the audit committee report being submitted to boards.</p> <p>1) Structure and qualification of the audit committee.</p> <p>2) Audit committee meeting</p> <p>3) Role, duty, and responsibility of audit committee</p> <p>4) Audit committee report</p>	<p>1. The collective audit committee assessment will be done regularly once a year. The audit committee secretary would propose the assessment issue in the 4<sup>th</sup> quarter AC meeting of every year.</p> <p>2. The audit committee secretary summarizes and proposes the assessment result in every annual's 1st quarter AC meeting.</p>

In the past year, the individual self-assessment performance score was **95.29**

### **The Board of Directors' Meeting.**

- 1) The date and time of the board meeting are set in advance as every Wednesday of the 3<sup>rd</sup> week of the month throughout the year, documents and meeting agenda will be sent to the directors at least five business days in advance so that the directors will have sufficient time to allocate meeting schedule and study the information. (CG Code 3.9.1 & 3.9.4)
- 2) The chairman allocates sufficient time for various matters consideration, provides directors opportunities to express their opinions freely based on one director having one vote. The board also pays attention to conflicts of interest management with prudence, fairness, and transparency. Directors who have a conflict of interest in the matter being considered must not participate in the decision-making of such matters. (CG Code 6.3.2 ,6.3.3)
- 3) The Company's management also attends the board meeting to provide useful information and acknowledge the policy to implement accordingly.
- 4) Non-executive directors should meet, as necessary, among themselves without the management team to discuss their concerns or consider of any interesting management issues. (CG Code 3.9.7)
- 5) Chairman and managing director consider and select issues to be included in the board meeting agenda. In addition, directors can propose interesting issues for consideration and be added to the meeting agenda.
- 6) Chairman has allocated sufficient time for directors to carefully discuss important issues, including encouraging all directors to express their opinions on various issues. freely
- 7) Chairman, managing director and all of the directors attend the meeting every time unless traveling abroad or on other missions
- 8) Company's executive management should attend the board meeting every time to provide additional details on accounting and finance or other related issues.
- 9) The secretary of the board is responsible for preparing the minutes of the meeting proposing them in the next board meeting for approval as the first agenda; the managing director can request to amend the minutes of the meeting
- 10) In the past year, The Board of Directors has monitored and supervised the management to implement the company's strategy through the performance report meeting and the company's operating results every month

### Meeting attendance of the Board of Directors year 2021

Name-Surname	Position	With / Without interest	No. of attendance		%
			Shareholder Meeting	Board of director meeting	
1. Miss Dalad Saphavichaikul	Chairman of the Board	None	1/1	12/12	100
2. Mrs. Nuntawan Sakuntanaga	Independence Director	None	1/1	11/12	91.67
3. Mr. Wanchai Rattanawong	Independence Director	None	1/1	12/12	100
4. Mr. Siriporn Luangnual	Independence Director	None	1/1	11/12	91.67
5. Mr. Chutindhon Darakananda	Director	None	1/1	11/12	91.67
6. Mrs. Chantorntree Darakananda	Director	None	1/1	12/12	100
7. Mr. Vacharaphong Darakananda	Director	None	1/1	7/9	77.79
8.Mr. Supakit Paungbua	Director	None	-	1/1	100
9. Mr. Komon Iamwatcharin	Managing Director	None	1/1	6/6	100
10.Mr.Nuttapon Yangyuen	Managing Director	None	-	6/6	100
11. Mr. Nanthiya Darakananda	Director	None	0/1	1/4	25
12.Mr. Prasit Asawavetvutt	Director	None	-	6/6	100

Average of the Board 92.31

## **Remuneration of Directors and Executives**

1. The board supervises the appropriate compensation structure in accordance with performance evaluation results.
2. The board establishes a motivative compensation structure for the managing director, senior management and all employee levels to perform their duties in accordance with the company objective, goal and long-term business interest, includes
  - 2.1 Appropriate ratio of salary and bonus.
  - 2.2 Compensation policy is in accordance with labor law and similar business size.
  - 2.3 Establish and communicate the assessment criteria and policy to the relevant person.
3. The board communicates the performance assessment criteria to the managing director in advance; the assessment will be done at least once a year, together with remuneration approval.
4. The board considers and approves the aspect and criteria of senior executives' performance assessment and remuneration structure, follows up with the managing director to assess the senior executive according to the aspect and criteria mentioned earlier
5. The board supervises the aspect and criteria of the whole organization's performance assessment.

## **Remuneration of Board of Directors.**

The company has considered the board's remuneration to be in line with the listed company which has the same size industry, congruence with the company's performance and duty and responsibilities of each director.

Remuneration for each director position in the year 2021 is equal to the year 2020

## **Other remuneration.**

In addition to the meeting allowance and remuneration in cash, The Company does not provide any other remuneration and benefits to the directors.

Remuneration payment criteria of each committee in Year 2023

Monetary compensation	2566 ( Baht)
<b>Board of Directors: Meeting allowance paid monthly</b>	
-Chairman of the Board of Director	8,000
-Executive Director	8,000
-Non-Executive Director	8,000
-Independence Director	8,000
<b>Audit Committee: Compensation paid monthly</b>	
-Chairman of the Audit Committee	11,000
-Member of the Audit Committee	10,000
<b>Nomination and Remuneration Committee</b>	
<b>: Meeting allowance paid per attendance</b>	(Per time : Baht)
-Chairman of the Nomination and Remuneration Committee	6,000
-Member of the Nomination and Remuneration Committee	6,000

**Note: There are no other benefits, and other compensation In addition to those specified above**

Summary table of the remuneration of the three committees according to the resolution of the 30<sup>th</sup> Annual General Meeting of Shareholders held on April 19, 2023, within the limit of not more than 1,500,000.00 baht.

Name – Surname	Position	The remuneration year 2023(Baht)			
		Board's meeting allowance	Audit committee's remuneration	Nomination and remuneration's meeting allowance	Total
1. Miss Dalad Saphavichaikul	Chairman of the Board	96,000	-	-	96,000
2. Mrs. Nuntawan Sakuntanaga	Independence Director	96,000	132,000	-	228,000
3. Mr. Wanchai Rattanawong	Independence Director	96,000	120,000	24,000	240,000
4. Mr. Siriporn Luangnual	Independence Director	96,000	120,000	24,000	240,000
5. Mr. Chutindhon Darakananda	Director	96,000	-	-	96,000
6. Mrs. Chantornree Darakananda	Director	96,000	-	-	96,000
7. Mr. Vachaphong Darakananda	Director	72,000	-	12,000	84,000
8.Mr. Supakit Paungbua	Director	8,000	-	-	8,000
9. Mr. Komon Iamwatcharin	Managing Director	48,000	-	-	48,000
10.Mr.Nuttapon Yangyuen	Managing Director	48,000	-	-	48,000
11. Mr. Nanthiya Darakananda	Director	32,000	-	-	32,000
12.Mr. Prasit Asawavetvutt	Director	48,000	-	-	48,000
	<b>Total</b>	<b>832,000</b>	<b>372,000</b>	<b>60,000</b>	<b>1,264,000</b>

**Supervision of subsidiary and associated company:** The company does not have subsidiary and associated company.

**Prevention of conflicts of interest and the use of inside information:** Details were disclosed in Section Business Ethics.

## **8.2 Report on the performance of duties of the Audit Committee**

In 2023, the Audit Committee had a meeting with an external certified public accountant, EY Office Company Limited, who reviewed the 2023 financial report and gave the opinion that

- Overall, the company's internal control system is at a satisfactory level. No defects were found that would have a material impact on the auditor's opinion in the financial report, and there were no additional observations regarding internal control.

- Each Board of Directors has considered and approved the results of the adequacy assessment. Risk management and internal control system of the company every year to ensure efficiency of operations at the management and operational levels, the company has established criteria and procedures to be appropriate, clear, concise, but not redundant. The operational authority of each level is defined, from executives to operations departments. Segregation of duties between workers Followers control and evaluate separately. In order to create a check and balance and be able to check each other appropriately.

- The company has a financial reporting system to present to executives. To monitor the effectiveness of operations There is an asset management system to control and verify the existence of assets. There is an internal audit office responsible for inspecting the work systems and financial activities of the company. that it has been carried out according to regulations The Company's established policies, procedures and other related laws are effective. The Internal Audit Office has been assigned duties by the Audit Committee with annual plans and special tasks. as needed along with recommendations for follow-up results and corrections as suggested by the Audit Committee By reporting the results of the inspection to the Audit Committee, and report directly to management in urgent cases To be able to consider improving and correcting events in a timely manner. Company's Internal Audit Office There is independence in reporting audit results as well.

### **Opinion of the Audit Committee**

The Audit Committee has no different opinions from the opinions of the Company's Board of Directors. The contents of performing duties have been summarized as follows:

## **Report**

### **Audit Committee**

Dear Shareholders,

The Audit Committee of the Union Pioneer Public Company Limited consists of 3 proficient and independent members, one of which has adequate knowledge and experience to review financial statements. Led by Mrs. Nuntawan Sakuntanaga as the chairman, Mr. Wanchai Rattanawong and Mrs. Siriporn Luangnual, the committee members, together held 5 meetings in 2023 with the details of attendance as follows.

<b>Name of The Committee Member</b>	<b>Position</b>	<b>Numbers of Attendance/ Total Meetings</b>
Mrs. Nuntawan Sakuntanaga	Chairman of the Audit Committee	4/5
Mr. Wanchai Rattanawong	Audit Committee Member	5/5
Mrs. Siriporn Luangnual	Audit Committee Member	5/5

In each meeting, the Audit Committee consulted with the management team, certified public accountant and internal auditor as appropriate while their views and suggestions were provided independently. The duties of the Audit Committee can be mainly summarized as below.

#### **1. Reviews of financial reports**

In cooperation with the management team, the internal audit office and the auditor, the Audit Committee has reviewed the quarterly and yearly financial reports for 2023 including the connected and related transactions or the transactions that may lead to conflicts of interests. Inquiries were made to the certified public accountant about accuracy and completeness of the financial reports, adjustments that may impact the financial reports, the adequacy and appropriateness of the accounting methods and the scopes of audit. The inquiries also included the accuracy, adequacy and completeness of the information disclosure for the interest of the users of financial reports as well as the independence of the certified public accountant. This is to ensure that the preparation of the financial reports complies with all relevant regulations, Generally Accepted Accounting Principles (GAAP) and the regulations of the Stock Exchange of Thailand.

In addition, the audit committee held a meeting with the auditor without participation from the management team to have an independent discussion regarding any problems or obstacles encountered while auditing as well as any difficulty in retrieving requested information. The discussion also covered the observation and opinions of the auditor and suspicious circumstances according to Section 89/25 of the



Securities and Exchange Act B.E. 2535. In 2023, the auditor neither had any observation nor found any suspicious activity.

## **2. Reviews of internal controls and internal audits**

The Audit Committee approved the annual internal audit plan and quarterly reviewed the internal control system. This is to ensure that the company has sufficiently and appropriately established an efficient internal control and internal audit system in accordance with international standards. During the year, the Audit Committee also emphasized that the internal audit office should follow up on the assigned tasks to make sure that the management has made the improvements as suggested by the internal audit office within the specified timeline. In addition, the Audit Committee assessed the sufficiency of the internal control and risk management system with reference to the evaluation form provided by the Securities and Exchange Commission (SEC). The Audit Committee has found that both the internal control and risk management are adequate and appropriate for the company to perform its businesses, in line with the opinion from the certified public accountant who reported that no significant defect that impacts financial reports has been found.

## **3. Reviews of risk management**

Together with the management team, the Audit Committee quarterly reviewed efficiency and effectiveness of the risk management program, including the plan and guideline to mitigate risks. The Audit Committee also provided suggestions to improve risk dimensions to be inclusive and responsive to changes as well as recommendations on the practices in risk management to accommodate any unexpected occurrence.

## **4. Reviews of compliance with the Securities and Exchange Commission law, the regulations of the Stock Exchange of Thailand and the laws in relation to the businesses of the company**

The Audit Committee regularly reviewed and monitored the compliance with the Securities and Exchange Commission law, the regulations of the Stock Exchange of Thailand and the laws in relation to the businesses of the company which the Audit Committee was of the view that the company has strictly complied with the Securities and Exchange Commission law, the regulations of the Stock Exchange of Thailand and the laws in relation to the businesses of the company.

In 2023, there were 7 enactments of laws in relation to the businesses of the company.

1) Notification of the Ministry of Labor regarding Diseases that Occur at Work or Because of the Nature or Type of Work B.E. 2566, publicized in the Government Gazette on 7 February 2023;

- 2) Notification of the Ministry of Industry regarding Management of Waste Disposal or Unused Material (No.3) B.E. 2566, publicized in the Government Gazette on 24 February 2023;
- 3) Notification of the Department of Labor Protection and Welfare regarding the Curriculum, Trainer Qualification and Training for Executives and Foremen in respect of Safety, publicized in the Government Gazette on 27 February 2023;
- 4) Notification of the Ministry of Industry regarding Safety Measures on Chemical Management in Industrial Plants (No.2) B.E. 2566, publicized in the Government Gazette on 9 May 2023;
- 5) Notification of the Ministry of Industry regarding Management of Waste Disposal or Unused Material B.E. 2566, publicized in the Government Gazette on 31 May 2023;
- 6) Notification of the Ministry of Industry regarding Management of Waste Disposal or Unused Material (No.2) B.E. 2566, publicized in the Government Gazette on 15 August 2023; and
- 7) Notification of the Department of Labor Protection and Welfare regarding the Principle, Method and Condition of Training Executives, Foremen and Employees in respect of Safety, Industrial Hygiene and Environment at Workplace (No.2), publicized in the Government Gazette on 26 September 2023.

The Audit Committee had strongly requested and urged the company to comply with the notifications and report to the board of directors.

## **5. Auditor selection**

The Audit Committee considered the qualification and the proposed remuneration of the auditor by taking into account creditability of the services and consultancy on accountings, auditing standards as well as timely certification of financial reports, then agreed to propose to the board of directors and to the shareholders the nomination of the auditor from EY Co., Ltd. with the auditing fees of Baht 1,120,000 (Baht One Million One Hundred and Twenty Thousand) for 2023.

## **6. Reviews of related party transactions or transactions that may lead to conflicts of interests**

The Audit Committee had reviewed and inquired the auditor about the related party transactions or transactions that may lead to conflicts of interests including the disclosure of those transactions. By doing so, the Audit Committee found that the company, with consideration for the ultimate benefits of the company and shareholders, has complied with the standards and regulations of the Securities and Exchange Commission and

disclosed the information completely and adequately. For the transactions that may lead to conflicts of interest, voting rights of the stakeholders were suspended.

## **7. Reviews of compliance with the anti-corruption measures**

The Audit Committee reviewed the internal audit measures and the practices in the anti-corruption policy of the company on the compliance with the anti-corruption policy of the Thai Private Sector Collective Action Against Corruption (CAC). The Audit Committee also supervised the internal audit office to inspect the internal control system to ensure that the company has sufficiently and appropriately complied with the anti-corruption policy, which the company performed as follow.

7.1) Organized the test on the understanding of business ethics and anti-corruption for the management, then evaluated the result to review and improve business ethics and raise awareness about the anti-corruption in all manners.

7.2) Being urged by the Audit Committee, the company revised and improved the complaints handling and whistleblowing procedure for all stakeholders to be able to submit via the following channels: an email to the Audit Committee or the managing director; a letter to the Audit Committee; a suggestion box; and a hotline to the managing director.

7.3) Organized the internal audit department to perform the duty in reviewing the company's performance according to the anti-corruption policy, the internal control system and the internal audit to ensure that the performance of each business unit is efficient and compliant with laws, work processes, manuals of good corporate governance and business ethics.

7.4) Organized orientation training for new employees to understand good corporate governance, business ethics and the anti-corruption policy of the company.

7.4) Created an atmosphere for employees to be aware of anti-corruption via internal communication such as intranet within the company, publicity on the company's publication board and distribution of the manuals on good corporate governance, business' ethics and anti-corruption policy on the company's website. For the other stakeholders, the Company publicly announced and shared the knowledge of anti-corruption through company brochure and website.

## 8. Reports of performances

The Audit Committee had regularly reported its performance to the board of directors every quarter by providing beneficial opinions and suggestions for the administration of the management. With references to the suggestions, the management appropriately revised and improved accordingly.

## 9. Self-evaluation

The Audit Committee conducted self-evaluation on its individual performance in accordance with the charter of the Audit Committee and the best practice guideline for the Audit Committee. The result has shown that the Audit Committee performed its duties according to its scope of responsibilities and the best practice guidelines of the Audit Committee as determined by the Stock Exchange of Thailand. The score from the self-evaluation of the audit committee for the year of 2023 was at the average of 95.29.

In summary, the Audit Committee had performed its duties and responsibilities as determined in the charter of the Audit Committee by utilizing knowledges, capabilities, prudence and cautiousness with adequate independency. The Audit Committee had provided opinions and suggestions for the benefits of the company and all stakeholders. The Audit Committee is of the view that the company has prepared the financial reports in conformity with GAAP standards, appropriately established the internal control system and complied with the law, the regulations of the Stock Exchange of Thailand or other laws in relation to businesses of the company in accordance with the principles of the good corporate governance for the ultimate benefits and sustainable growth of the company.

On behalf of the Audit Committee



(Mrs. Nuntawan Sakuntanaga)

Chairman of the Audit Committee

Union Pioneer Public Company Limited

## 8.5 Report of the Nomination and Remuneration Committee

Dear shareholders

The Board of Directors plays an important role in overseeing and driving the organization towards success. Process for recruiting and nominating individuals to serve as directors and determination of directors' remuneration It is an important process. Therefore, the Board of Directors has appointed a Nomination and Remuneration Committee. To carry out the duties of recruiting, selecting and presenting people with knowledge and abilities. qualified to perform duties as directors and senior executives Including proposing guidelines for considering directors' remuneration. and form of compensation For the Board of Directors and various sub-committees

The Company's Nomination and Remuneration Committee consists of 3 people, of whom 2 are independent directors. The Chairman of the Nomination and Remuneration Committee is an independent director. able to perform duties and express opinions freely

In 2023, the Nomination and Remuneration Committee held a total of 4 meetings, with all members of the Nomination and Remuneration Committee attending the meetings in unison. A summary of the essential operations of the Nomination and Remuneration Committee in the year 2023 is as follows.

1. Carry out recruitment and selection of qualified persons. To propose names to the Board of Directors for consideration and submission to the 2023 Annual General Meeting of Shareholders for consideration and appointment as directors. In place of directors who are due to retire by rotation

2. Consider determining compensation and form of compensation. For the Board of Directors and sub-committees for the year 2023 to propose to the Board of Directors for consideration and approval from the 2023 Annual General Meeting of Shareholders.

3. In the event that a director resigns before the end of his term. The Nomination and Remuneration Committee has recruited and selected qualified individuals. To submit names to the Board of Directors for consideration and appointment to the position of director. To replace the director who resigned

4. Provide orientation To enable new directors to understand their roles, duties and responsibilities Including being aware of the company's policies and business operations. Including other information that is useful in performing duties.

5. There is an evaluation of the performance of the Nomination and Remuneration Committee on a group and individual basis, and the annual evaluation results are reported. to the Board of Directors for information Summary of the results of the self-assessment of the Nomination and Remuneration Committee on a group and individual basis for the year 2023, with an average score of 94.12 percent and 96.25 percent, respectively.

in recruiting and selecting individuals To be nominated to be a director Nomination and Remuneration Committee Considered the qualifications of the person According to the criteria and methods for selecting directors, that is, they must have qualifications and not have prohibited characteristics as specified by law. Has qualifications according to the requirements of the Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET) and meets the principles of good corporate governance of listed companies regarding board structure. as well as being a person with knowledge, ability, and independence Including having specific skills, expertise, and experience in various professional fields that are necessary and beneficial to the nature of the Company's business. According to the elements in the Board Skill Matrix specified

for determining compensation and form of compensation The Nomination and Remuneration Committee considers systematically, reasonably, and reviews compensation every year. By considering comparison with listed companies that have similar business sizes and/or are in similar industries. Including considering various factors that are relevant in all aspects, including duties, scope of responsibilities, operating results, financial status of the company, and overall economic conditions.

In the year 2023, the Nomination and Remuneration Committee performed its assigned duties completely. With care, transparency, impartiality and independence for the highest benefit of the Company, shareholders and all stakeholders.

On behalf of the Nomination and Remuneration Committee

A handwritten signature in black ink, appearing to be 'Wanchai Rattanawong', is centered on the page. The signature is fluid and stylized, with a prominent horizontal line at the top and several loops and strokes below it.

(Mr. Wanchai Rattanawong)

Chairman of the Nomination and Remuneration Committee

## **Sufficiency and appropriateness of the company's internal control system**

In the 11th meeting of the Board of Directors on November 22, 2023, the Audit Committee, who are 3 independent directors, also attended the meeting. The Board of Directors has assessed the Company's internal control system and risk management system. According to the assessment form of the adequacy of the internal control system and risk management system of the Securities and Exchange Commission (SEC), which adheres to the internal control framework according to COSO 2013 standards of the Joint Committee of Professional Institutes (Committee) of Sponsoring Organization of Treadway Commission) which has 5 elements: internal control within the organization Risk assessment Operational control Information and communication systems and tracking system which has been considered by the Audit Committee The Board of Directors considers that The company's internal control system is sufficient and appropriate No significant deficiencies were found regarding internal control. The Company has arranged for sufficient personnel to operate in accordance with laws, regulations, policies, and various guidelines. related effectively Including a system to control, monitor and supervise the operations of the company. To be able to protect the company's assets Was used illegally or without authority by the directors or executives Including overseeing transactions with persons who may have conflicts and related persons to be in accordance with regulations. In summary, the main points are separated by internal control elements according to COSO standards as follows:

### **1. Internal control of the organization**

The company has established a governance structure, which consists of the Board of Directors and sub-committees, namely the Audit Committee and the Nomination and Remuneration Committee Each committee is responsible to shareholders regarding the Company's business operations, and supervise management to meet goals To provide maximum benefit to shareholders Within the framework of having good ethics and being socially responsible. Continuously promote and monitor the progress of the process of developing good corporate governance and social responsibility. Including providing guidelines and other suggestions necessary for development. This year the company Selected to be on the list “Sustainable stocks” or SET ESG Ratings from the Stock Exchange of Thailand as well



For internal management, the company has an organizational structure that is appropriate for operations. There is an internal control system covering both accounting and finance. Operation and personnel management including compliance with the law Official requirements and various regulations, as well as clearly specifying authority, duties and financial approvals There is also an internal audit office with a clear and independent chain of command. The report must be made directly to the Audit Committee.

## **2. Risk assessment**

The company has established a risk management policy as an important policy. By appointing a risk management team consisting of the managing director and senior executives. Responsible for evaluating risk factors from both external and internal factors that affect the Company's goals and business operations. and there is a risk management subcommittee which consists of middle management lower level executives and employees of each department are responsible Responsible for considering and evaluating risks at the department level. The results of risk management in every aspect are assessed and followed up and reported to the Audit Committee on a quarterly basis. And there is a summary of the results of operations to report to the Board of Directors every quarter.

## **3. Operational control**

The Board of Directors has appointed 2 sub-committees, consisting of the Audit Committee. and the Nomination and Remuneration Committee Both committees have performed their work within the scope of Assigned authority In addition, the audit committee The annual audit plan was reviewed and approved. To cover all operational processes that have important risks of the company. There is also an auditor conducting the audit, making the company confident that various departments have adequate control over their operations. both financial Operation Compliance with laws, rules, regulations, and anti-corruption. The Audit Committee has considered important issues and problems discovered from the audit. He made recommendations to the management to take corrective action. and report the results of corrections to prevent the same problem from occurring again.

In the case of transactions with companies or individuals related to the company which may lead to conflicts of interest between the companies With companies or individuals related to the company, transactions that occur must go through the approval process according to company regulations. Just like normal transactions And those involved in making the report must consider that the transaction is reasonable. and according to the normal course of business Taking into account the maximum benefits of the company and shareholders as if it were a transaction with an outsider and legally by transactions that may lead to conflicts of interest Stakeholders will not have voting rights. The Company discloses information as required by law.

Audit Committee Considered together with the auditor. Internal Audit Office and management Concerning the preparation of the Company's financial statements every quarter in order to ensure that the Company uses accounting policies in accordance with generally accepted accounting principles. and appropriate to the nature of the company's business Including disclosing information appropriately as required by law.

#### **4. Information and data communication systems**

The company places importance on information systems and adequate reporting data. In presenting matters to the committee for consideration, the company has provided various important information for the committee to use in making decisions. with the company secretary

#### **5. Tracking system**

The company has followed up on performance to ensure that it meets the goals set. There will be a total of 12 meetings of the Board of Directors in 2023 and a total of 5 Audit Committee meetings to monitor performance according to the goals set. Supervise the implementation of the strategic plan. plans and projects that is in the annual business plan approved by the Board of Directors along with solving problems that may occur and adjust the operational plan to reflect the changing situation. and when it is found that the operating results are different from the set goals The responsible person has been assigned to present a report to review the work performance. and cause analysis as well as participating in the consideration and approval of the plan to solve the problem and provide continuous performance reports

The Company provides regular inspections of compliance with the internal control system by the Internal Audit Office. To ensure that the existing internal control process is sufficient and appropriate. In the event that it is found that there are areas that should be improved, there has been a discussion with the management to determine operational guidelines. Along with improvement plans to prevent or reduce risks that may occur, and follow up to ensure that those findings were taken and corrected in a timely manner. In addition, results are reported to the Audit Committee on a quarterly basis.

#### **Evaluate the shortcomings of the internal control system.**

The company evaluates its internal control system every year. No significant deficiencies were found regarding the internal control system. And the Internal Audit Office has followed up on the improvement and correction of internal controls according to the issues discovered and found that the management has completely revised the internal controls according to the recommendations. In addition, the company's auditor, EY Office Company Limited, has reported that there is no found significant deficiencies that had an impact on the company's financial statements.

#### **Opinion of the Audit Committee**

The Audit Committee gave its opinion on internal control, risk management and supervision of the Company's operations in 2023 as shown in the Audit Committee report, Attachment 6.

#### **Head of Internal Audit Department**

At the Audit Committee meeting No. 3/2016 on August 4, 2016, Mr. Natthaphawat Thamwan was appointed to the position of Head of the Company's Internal Audit Department, and performs duties as secretary of the audit committee. From September 1, 2016, due to having an educational qualification, have experience working in internal auditing, have attended training courses related to internal audit operations, and has an understanding of the Company's activities and operations, therefore is of the opinion that he is suitable and sufficient to perform such duties. By the qualifications of the person holding the position of head of the internal audit department, appears in Attachment 3.

## **Appointment, removal and transfer of the person holding the position of head of the internal audit department.**

In considering the approval, appointment, removal, transfer, the person holding the position of head of the internal audit department of the company must be approved. and received approval from the Audit Committee.

## **9.2 Inter – Transactions**

The Company emphasized on approving the inter-transactions or related transactions or any transactions that may have a conflict of interest. The guidelines are as follows;

**For approving the Inter-transactions** or related transactions or any transactions that may have a conflict of interest, Directors and the management could not attend for consideration on this approval, including;

1. Directors and executives sign off the certificate annually to express that they will not perform anything related to conflict of interest to the company or disclose the confidence information to use with their personal benefit, causing the loss to the Company.
2. Prohibit on the mentioned information disclosure to customer, supplier, service provider, competitor or third parties, except the information used to communicate normally or detail for public.
3. The nature of inter-transactions is transactions occurred in the normal trade terms as reasonable market price mechanism such as purchasing on materials, etc. There are utilities service, prices that are calculated on the basis of relevant expenses and fair usage accepted by both parties.
4. Last year the Company had no securities offering forms or draft prospectuses, then no comment from the directors and the third parties on this.
5. Necessity and reasonableness of inter-transaction; Group Companies has a policy to set up a division for sourcing the raw material within group companies, and to gain the bargaining power of price and quantity. Inter-transactions are done as necessity and reasonableness for the benefit of the company.

6. Inter-transaction Approval Procedure; to propose to the Audit Committee for consideration according to the size of transaction; small, medium, large for considering on the power-operated. For normal transaction, assuming as if third parties, there is a procedure of the common transaction at market price which the Board has already approved the action principle of inter- transaction. The authorized persons for approval have no interest in that transaction, have tracking of cash transferring (receiving and payment), setting the due date payment of each transaction and keeping the practice as standard procedure.
7. Trend of Future Inter-transactions are the transactions which carry out in accordance with the normal trade, use the trade policy as market price mechanism of the business. There is no any benefit transferring between the Company and the related companies or persons.
8. Last year there was no special transaction, then there was no any opinion of directors, third party or independent experts.
9. Entering Inter-Transaction, Inter-Transactions have been done appropriately. The rental price is fair and is acceptable to both parties and does not affect or have conflict with interests of the Company in business transaction. However, the consideration and approval of each type of transaction has been complied with regulations of the Stock Exchange of Thailand and the SEC. In addition, in the past, if there was inter-transaction which was considered as a related transaction, the Company would propose it to the Audit Committee to consider before presenting to the Board Meeting further. In the past, independent directors had no different opinions from the Board of Directors. The Company disclosed complete information in accordance with relevant regulations through electronic media of the Stock Exchange of Thailand.
10. The Company does not have inter-transactions in the forms of financial assistance such as loan, credit guarantees, etc.
11. Last year the Company didn't do any types of inter-transactions that violated or did not comply with the rules for related transactions of the Stock Exchange of Thailand.

## Transactions with third parties

The Company has a policy to treat all stakeholders and the guidelines for all stakeholder's groups. The Company proceeds the business operation under the scope of competition law with fair trading, considers the fair and appropriated price by realizing on the reasonable price, quality and service that the Company received, and can give the appropriate reason when being audited.

## Inter-Transactions between Union Pioneer Public Company Limited and the persons who may have led to the conflict of interest in 2023

Related companies and Type of relationship	Type of Transaction	Value of significant transactions (Thousand Baht)	Pricing Policy	Reasonability and Necessity of Inter-Transaction
1. Saha Union Public Co., Ltd. -major shareholder -having mutual directors	1.Paying dividend  2.Purchasing raw materials  3.Account Payable	10,465  6,761  1,126	1. From the AGM no. 30/2023 2. Comparing with market prices	1. As the announced payment rate 2. Total purchasing volume for bargaining power 3. Be outstanding balance as at 31st December 2023
2. Thai Rubber Enterprise Co., Ltd. -having mutual directors	1.Land Rent	30	As contractual price	1. Location using for natural rubber storage
3. Union Zojiroshi Co., Ltd.	1.Certain part of land and building  2.Service Income	4,224  148	As contractual price	1.Location using as manufacturing factory
4. Union Rubber Products Corp., Ltd. -having mutual directors	1. Purchasing raw materials	29,271	Able to compare with market prices	1. To control the product quality, with common transactions at market price
5. Union Zip Co., Ltd. -having mutual directors	1.Selling product  2.Account Receivable	10,486  2,715	Comparing with market prices	1. Common transactions at market price 2. Be outstanding balance as at 31st December 2023
6. Union Plastic Public Co., Ltd. -having mutual directors	1. Purchasing raw materials 2. Service Income	375 693	Comparing with market prices	1.Common transactions at market price
7. Union Thai-Nichiban Co., Ltd. -having mutual directors	1. Purchasing raw materials 2. Service Income	505 989	Comparing with market prices	1.Common transactions at market price
8. Union Stainless Steel Products Co., Ltd. -having mutual directors	1. Service Income	414	Comparing with market prices	1.Common transactions at market price
Total of Inter-Transaction in 2023		68,202		

**Disclosure of Information  
in the Organization Structure**

**Details of Directors and Executives**

**Person Assigned to be the Highest  
Responsibility in Accounting and Finance**

**Person Assigned to be Directly Responsible  
in the Supervision of Accounting**

**Company Secretary**

**Tenure of Board of Directors, Management,  
Authorized Directors and Independence  
Directors/Audit Committee**

Name-Surname		Union Pioneer Public Company Limited.				Saha Union Public Company Limited.
		Board of Directors	Management	Authorized Directors	Independent Director/Audit Committee	
1. Miss Dalad	Sapthavichaikul	X		✓		X
2. Mrs.Nuntawan	Sakuntanaga				// , ///	
3. Mr.Wanchai	Rattanawong				// , ///	
4. Mr.	Iamwatcharin	XXX	✓	✓		
5. Mr.Chutindhon	Darakananda	/		✓		XX
6. Mrs.Chantorntree	Darakananda	/		✓		A
7. Mr.Siriporn	Luangnual	/			// , ///	
8. Mr. Prasit	Asawavetvutt	/		/		
9. Mr.Supakit	Paungbua	/		/		
10. Mr.Wiwat	Jongkonrat		✓			
11. Mr. Sikavej	Sopaphan		✓			
12. Miss Warunee	Khumtong		✓			
13.Mr. Wannapong	Kanacharoen		✓			

Remark :   A   President    X   Chairman    XX   Vice Chairman    XXX   Managing Director  
    /   Director    //   Independent Director    ///   Audit Committee



## Details of the Head of the Internal Audit Unit

**Mr. Nattpawatch Thomwan**

Age 41 years

**Position:** Manager of Internal Audit section and Secretary of the Audit Committee

**Education:**

- Master Degree of Science Program on Corporate Governance, Chulalongkorn University
- Bachelor Degree of Administration Accounting, Rajamangala University of Technology Bangkok
- Diploma Degree of Internal Auditing Education Partnership (IAEP) The Institute of Internal Auditors: IIA

**Shareholding in the Company:** None

**Family Relations with Other Directors:** None

**Training Courses in 2023:**

Federation of Accounting Professions under royal patronage

- Raise the level of work paper Expert in anti-corruption reviews, class 1/66

Thai Private Sector Collective Action Against Corruption (CAC)

- Road to join CAC & SME Briefing (online training)

- Road to Certify 1/2023 (online training)

Thai Investors Association

- Impact of Climate Change on business (online training)

## - IIAT Annual Conference 2023: Internal Audit in a Quick and Ever-Changing World

**Current Position:**

- ## Responsibilities

- The Audit Committee had an opinion on the operation of the manager of the internal audit section that he worked well and accurately according to the required laws, including having the knowledge and ability to operate job duties effectively.

## **Details of the Chief of Compliance Unit**

**Mrs. Chadaporn Jiemsakultip**

Age 59 years

**Position: Company Secretary and Chief of Compliance Unit**

### **Education**

- Bachelor's Degree in Business Administration (Management), Sukhothai Thammathirat Open University
- Certificate in Business Administration (Accounting), Vocational College, Bangkok Technical Campus,  
(Current Named Rajamangala University of Technology Krungthep (RMUTK)), Bangkok

### **Responsibilities**

- Provide legal advice and rules and practices in relation to the supervision of the Board of Directors' activities to be in accordance with the law.
- Perform other duties assigned by the Board of Directors.

**Assets used in business operation**

**Details are disclosed in the topic.**

**product procurement**

**The company does not have property  
appraisal and property revaluation in the past  
year.**

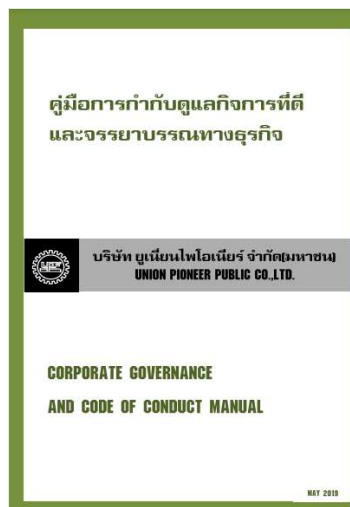
## Corporate Governance Policy and Practice

### Business Ethics

including Important Policies

-Full version-

On Company's website



Attachment 6

**Audit Committee Report**  
**Details are disclosed in**  
**“Duty of Audit Committee Report”**

Attachment 7

**Nomination and Remuneration Committee**  
**Report Details are Disclosed in**  
**“Sub-Committees’ Performance Summary”**

Attachment 8

**Committees’ Responsibility on Financial**  
**Report**  
**Details are Disclosed in “Management**  
**Analysis and Explanation.**

## **Independent Auditor's Report**

To the Shareholders of Union Pioneer Public Company Limited

### **Opinion**

I have audited the accompanying financial statements of Union Pioneer Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Pioneer Public Company Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matter**

Key audit matter is the matter that, in my professional judgement, was of most significance to my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

### **Revenue recognition**

The amount of sales is significant to the financial statements (97% of total revenues). In addition, the Company has a large number of customers, both domestic and export, and overseas sales are made under differing terms, meaning that recognition of revenue from sales is made under a variety of conditions. Therefore, I draw attention to the timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales transactions to assess whether revenue recognition was consistent with the conditions and incoterms, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine that matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Poonnard Paocharoen

Certified Public Accountant (Thailand) No.5238

EY Office Limited

Bangkok: 21 February 2024

**Union Pioneer Public Company Limited**

**Statement of financial position**

**As at 31 December 2023**

		(Unit: Baht)	
	Note	2023	2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	131,277,172	88,341,578
Trade and other receivables	8	119,884,117	117,315,525
Inventories	9	106,819,556	153,499,236
Derivatives assets	26	1,569,706	1,944,954
Other current financial assets	10	-	19,930,769
Other current assets		2,880,797	3,164,486
<b>Total current assets</b>		<b>362,431,348</b>	<b>384,196,548</b>
<b>Non-current assets</b>			
Other non-current financial assets	11	5,153,845	6,185,268
Property, plant and equipment	12	72,807,299	59,873,705
Advance payment for purchase of equipment		804,057	2,302,000
Right-of-use assets	14	24,422,202	27,479,604
Intangible assets		346,298	293,343
Current tax assets		273,277	273,277
Deferred tax assets	19	10,147,407	9,685,593
<b>Total non-current assets</b>		<b>113,954,385</b>	<b>106,092,790</b>
<b>Total assets</b>		<b>476,385,733</b>	<b>490,289,338</b>

		(Unit: Baht)	
	Note	2023	2022
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	13	48,445,546	48,956,805
Income tax payable		1,867,951	-
Current portion of lease liabilities	14	2,785,116	2,632,819
Derivatives liabilities	26	-	14,199
Other current liabilities		315,389	333,138
<b>Total current liabilities</b>		<b>53,414,002</b>	<b>51,936,961</b>
<b>Non-current liabilities</b>			
Lease liabilities - net of current portion	14	24,537,745	27,322,862
Provision for long-term employee benefits	15	48,055,768	47,960,371
<b>Total non-current liabilities</b>		<b>72,593,513</b>	<b>75,283,233</b>
<b>Total liabilities</b>		<b>126,007,515</b>	<b>127,220,194</b>
<b>Shareholders' equity</b>			
<b>Share capital</b>			
Registered			
7,500,000 ordinary shares of Baht 10 each		75,000,000	75,000,000
Issued and fully paid up			
7,500,000 ordinary shares of Baht 10 each		75,000,000	75,000,000
Share premium		30,625,000	30,625,000
Retained earnings			
Appropriated - statutory reserve	16	18,834,366	18,834,366
Unappropriated		225,918,852	238,609,778
<b>Total shareholders' equity</b>		<b>350,378,218</b>	<b>363,069,144</b>

<b>Total liabilities and shareholders' equity</b>	476,385,733	490,289,338
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**Union Pioneer Public Company Limited**

**Statement of comprehensive income**

**For the year ended 31 December 2023**

		(Unit: Baht)	
	Note	2023	2022
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales and service income	17	546,847,199	646,003,431
Other income		11,860,368	14,074,357
<b>Total revenues</b>		558,707,567	660,077,788
<b>Expenses</b>			
Cost of sales		476,984,384	554,461,970
Selling and distribution expenses		36,495,748	39,534,066
Administrative expenses		34,353,965	34,471,604
Other expenses		2,758,452	3,956,352
<b>Total expenses</b>		550,592,549	632,423,992
<b>Profit from operating activities</b>		8,115,018	27,653,796
Finance income		974,651	300,813
Finance cost		(1,621,492)	(1,765,460)
<b>Profit before income tax expenses</b>		7,468,177	26,189,149
Income tax expenses	19	(943,392)	(4,607,809)
<b>Profit for the year</b>		6,524,785	21,581,340
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain		2,699,111	5,125,506

Less: Income tax effect		(539,822)	(1,025,101)
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods - net of income tax		2,159,289	4,100,405
<b>Other comprehensive income for the year</b>		2,159,289	4,100,405
<b>Total comprehensive income for the year</b>		8,684,074	25,681,745
<b>Earnings per share</b>	20		
Basic earnings per share		0.87	2.88

**Union Pioneer Public**

**Company Limited**

**Statement of changes in shareholders' equity**

**For the year ended 31**

**December 2023**

(Unit: Baht)

	Issued and paid-up  share capital	Share premium	Retained earnings		Total  shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January</b>					
<b>2022</b>	75,000,000	30,625,000	18,834,366	248,253,033	372,712,399
Profit for the year	-	-	-	21,581,340	21,581,340
Other comprehensive income for the year	-	-	-	4,100,405	4,100,405
Total comprehensive income for the year	-	-	-	25,681,745	25,681,745
Dividend paid (Note 23)	-	-	-	(35,325,000)	(35,325,000)
<b>Balance as at 31</b>					
<b>December 2022</b>	75,000,000	30,625,000	18,834,366	238,609,778	363,069,144
					-
<b>Balance as at 1 January</b>					
<b>2023</b>	75,000,000	30,625,000	18,834,366	238,609,778	363,069,144
Profit for the year	-	-	-	6,524,785	6,524,785

Other comprehensive					
income for the year	-	-	-	2,159,289	2,159,289
Total comprehensive					
income for the year	-	-	-	8,684,074	8,684,074
Dividend paid (Note 23)	-	-	-	(21,375,000)	(21,375,000)
<b>Balance as at 31</b>					
<b>December 2023</b>	75,000,000	30,625,000	18,834,366	225,918,852	350,378,218



**Union Pioneer Public Company Limited**

**Cash flow statement**

**For the year ended 31 December 2023**

	(Unit: Baht)	
	2023	2022
<b>Cash flows from operating activities</b>		
Profit before tax	7,468,177	26,189,149
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	23,138,569	24,323,526
Allowance for expected credit losses	455,740	292,281
Reduction of inventory to net realisable value (reversal)	1,344,524	(2,331,751)
Gain on sales of building improvements and equipment	(440,400)	(428,152)
Long-term employee benefit expenses	5,495,472	6,288,148
Unrealised gain on exchange	(1,846,514)	(4,877,507)
Losses (gain) on derivatives	361,049	(2,850,182)
Finance income	(974,651)	(300,813)
Finance cost	1,621,492	1,765,460
Profit from operating activities before changes in operating assets and liabilities	36,623,458	48,070,159
Operating assets (increase) decrease		
Trade and other receivables	(1,189,423)	58,089,767
Inventories	45,335,156	19,576,856
Other current assets	283,689	(89,112)

Other non-current financial assets	1,006,921	(1,034,597)
Operating liabilities increase (decrease)		
Trade and other payables	527,652	(21,078,999)
Other current liabilities	(17,749)	(119,953)
Provision for long-term employee benefits	(2,700,964)	(9,409,757)
Cash flows from operating activities	79,868,740	94,004,364
Cash paid for income tax	(77,077)	(5,845,163)
<b>Net cash flows from operating activities</b>	<b>79,791,663</b>	<b>88,159,201</b>

## **Union Pioneer Public Company Limited**

### **Notes to financial statements**

#### **For the year ended 31 December 2023**

##### **1. Corporate information**

Union Pioneer Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Saha-Union Public Company Limited, which is incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of finished elastic products. The registered address of the Company is No.1 Soi Serithai 62, Kweang Minburi, Khet Minburi, Bangkok.

##### **2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

##### **3. New financial reporting standards**

###### **a. Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

**b. Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

**4. Significant accounting policies**

**4.1 Revenue and expense recognition**

*Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts to customers.

*Rendering of services*

Service revenue is recognised over time when service have been rendered taking into account the stage of completion.

*Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

*Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Inventories**

Finished goods, semi-finished products and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

## **4.4 Property, plant and equipment and depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Building improvements	-	5 years and 10 years
Machinery and equipment	-	3 years and 5 years
Furniture and fixtures	-	3 years and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is including in profit or loss when the asset is derecognised.

## 4.5 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	-	10 years
Buildings	-	10 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

**4.6 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

**4.7 Foreign currencies**

The Company's financial statements is presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

**4.8 Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

## 4.9 Employee benefits

### *Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### *Post-employment benefits*

#### Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

#### Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and resignation fund plan. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Defined benefit liability (asset) is the present value of the defined benefit obligation less the fair value of plan assets which are available to pay the employee benefits obligation directly.

Plan assets are assets held by a long-term employee benefit fund. They are not available to the Company's creditors and cannot be returned to the Company. The Company measures the fair value of plan assets by using market price and in case that plan assets are debt instruments in active market, the Company measures them by using quoted price.

## 4.10 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



#### **4.11 Income Tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.12 Financial instruments**

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL which are derivatives, are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Company’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **4.13 Derivatives**

The Company uses derivatives, such as forward currency contracts to hedge its foreign currency risk.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### **4.14 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

#### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

## **Depreciation of plant and equipment**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment (if any) and to review estimate useful lives and residual values when there are any changes.

## **Leases**

### ***Determining the lease term with extension options - The Company as a lessee***

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

### ***Estimating the incremental borrowing rate - The Company as a lessee***

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	2023	2022	Pricing policy
<u>Transactions with parent company</u>			
Purchases of raw materials	7	10	Cost plus margin of parent company
<u>Transactions with related companies</u>			
(related by common shareholders)			
Sales of finished goods	11	12	Cost plus margin
Purchases of raw materials	30	33	Cost plus margin of related companies
Rental expenses	4	4	Contract price

As at 31 December 2023 and 2022, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	2023	2022
<u>Trade and other receivables - related parties</u> (Note 8)		
Related companies (related by common shareholders)	3,092	2,903
Total trade and other receivables - related parties	<u>3,092</u>	<u>2,903</u>
<u>Trade and other payables - related parties</u> (Note 13)		
Parent company	1,126	862
Related companies (related by common shareholders)	294	372
Total trade and other payables - related parties	<u>1,420</u>	<u>1,234</u>

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	2023	2022
Short-term employee benefits	10,085	8,632
Post-employee benefits	186	177
Total	10,271	8,809

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2023	2022
Cash	2	14
Bank deposits	90,434	43,414
Short-term bonds	40,841	44,914
Total	131,277	88,342

As at 31 December 2023, bank deposits in saving accounts and short-term bonds carried interests between 0.60 and 2.00 percent per annum (2022: between 0.08 and 0.90 percent per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	2023	2022
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	2,899	2,679
Total trade receivables - related parties	2,899	2,679

(Unit: Thousand Baht)

	2023	2022
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	97,721	79,710
Past due		
Up to 3 months	16,174	28,392
3 - 6 months	235	2,202
6 - 12 months	431	449
Over 12 months	595	1
Total	115,156	110,754
Less: Allowance for expected credit losses	(891)	(435)
Total trade receivables - unrelated parties, net	114,265	110,319
Total trade receivables - net	117,164	112,998
<u>Other receivables</u>		
Other receivables - related parties	193	224
Other receivables - unrelated parties	2,527	4,094
Total other receivables	2,720	4,318
Total trade and other receivables - net	119,884	117,316



## 9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	25,129	30,236	(1,555)	(289)	23,574	29,947
Semi finished products	10,992	11,642	(295)	(216)	10,697	11,426
Work in process	8,833	10,498	(3)	(4)	8,830	10,494
Raw materials and chemicals	52,859	84,095	-	-	52,859	84,095
Packing materials	6,902	6,695	-	-	6,902	6,695
Spare parts and factory supplies	3,958	4,027	-	-	3,958	4,027
Raw materials in transit	-	6,815	-	-	-	6,815
Total	<u>108,673</u>	<u>154,008</u>	<u>(1,853)</u>	<u>(509)</u>	<u>106,820</u>	<u>153,499</u>

## 10. Other current financial assets

The balance as at 31 December 2022, represented investments in government bonds which are measured at amortised cost and carried interest between 0.67 and 0.90 percent per annum.

## 11. Other non-current financial assets

This represents investments in government bonds which are pledged as collateral to secure electricity use which are measured at amortised cost and carried interest between 0.55 and 0.60 percent per annum (2022: between 0.55 and 0.67 percent per annum).

## 12. Property, plant and equipment

(Unit: Thousand Baht)	Land	Buildings and building improvements	Machinery and equipment	Furniture and Fixtures	Motor vehicles	Assets under installation and construction	Total
Cost							
As at 1 January 2022	6,173	108,212	675,587	15,496	18,160	112	823,740
Additions	--	1,122	18,718	537	925	2,006	23,308
Disposals/write-off	-	(8,774)	(16,412)	(525)	(1,825)	-	(27,536)
Transfers	-	-	112	-	-	(112)	-
As at 31 December 2022	6,173	100,560	678,005	15,508	17,260	2,006	819,512
Addition	-	657	5,636	728	841	609	8,471
Disposals	-	(100)	(1,868)	(1,008)	(171)	-	(3,147)
Transfers	-	13	1,161	-	-	(1,174)	-
As at 31 December 2023	6,173	101,130	682,934	15,228	17,930	1,441	824,836
Accumulated depreciation							
As at 1 January 2022	-	95,417	627,009	14,404	14,445	-	751,275
Depreciation for the year	-	3,189	18,218	486	937	-	22,830
Depreciation on disposals/write-off	-	(8,700)	(16,397)	(525)	(1,653)	-	(27,275)
As at 31 December 2022	-	89,906	628,830	14,365	13,729	-	746,830
Depreciation for the year	-	3,017	16,701	559	875	-	21,152
Depreciation on disposals	-	(100)	(1,753)	(1,008)	(159)	-	(3,020)

As at 31 December 2023		92,823	643,778	13,916	14,445	-	764,962
Net book value As at 31 Dec. 2022	6,173	10,654	49,175	1,143	3,531	2,006	72,682
Net book value As at 31 Dec. 2023	6,173	8,307	39,156	1,312	3,485	1,441	59,874
Depreciation for the year : 2022							22,830
Depreciation for the year : 2023							21,152

As at 31 December 2023, certain plant and equipment items had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 713 million (2022: Baht 706 million).

### 13. Trade and other payables

(Unit: Thousand Baht)

	2023	2022
Trade payables - related parties	1,263	1,065
Trade payables - unrelated parties	18,533	18,132
Other payables - related parties	157	169
Other payables - unrelated parties	28,096	29,409
Advance receipts from customers	397	182
Total trade and other payables	48,446	48,957

### 14. Leases

The Company has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms 1 years with extension options.

#### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)		
	Land	Buildings	Total
1 January 2022	15,373	15,164	30,537
Depreciation for the year	(1,541)	(1,516)	(3,057)
31 December 2022	13,832	13,648	27,480
Depreciation for the year	(1,541)	(1,517)	(3,058)
31 December 2023	12,291	12,131	24,422

**b) Lease liabilities**

	(Unit: Thousand Baht)	
	2023	2022
Lease payments	34,005	38,259
Less: Deferred interest expenses	(6,682)	(8,303)
Total	27,323	29,956
Less: Portion due within one year	(2,785)	(2,633)
Lease liabilities - net of current portion	24,538	27,323

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)	
	2023	2022
Balance at beginning of year	29,956	32,445
Accretion of interest	1,621	1,765
Repayments	(4,254)	(4,254)
Balance at end of year	27,323	29,956

The maturity of lease payment's as at 31 December 2023 and 2022 based on contractual undiscounted cash flows are as bellow:

	(Unit: Thousand Baht)	
	2023	2022
Within 1 year	4,254	4,254
1 - 5 years	17,017	17,017
Over 5 year	12,734	16,988
Total	34,005	38,259

**a) Expenses relating to leases that are recognised in profit or loss**

	(Unit: Thousand Baht)	
	2023	2022
Depreciation expense of right-of-use assets	3,058	3,057
Interest expense on lease liabilities	1,621	1,765
Expense relating to leases of low-value assets	87	125

**b) Others**

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 4.3 million (2022: Baht 4.4 million), including the cash flow out related to leases of low-value assets.

**15. Provision for long-term employee benefits**

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	2023	2022
Present value of defined benefit obligation	64,528	65,242
Fair value of plan assets	(16,472)	(17,282)
Net defined benefit liability	48,056	47,960

Changes in present value of defined benefit obligation and fair value of plan assets are as follows:

(Unit: Thousand Baht)

	2023	2022
<b>Defined benefit obligation at beginning of year</b>	65,242	74,740
Included in profit or loss:		
Current service cost	3,783	3,837
Interest cost	798	783
Transferred employees from a related company		-
Included in other comprehensive income:		
Actuarial gain arising from		
Demographic assumptions changes	14	-
Financial assumption changes	(4,244)	(5,126)
Experience adjustments	1,531	-
Benefits paid during the year	(2,596)	(8,992)
<b>Defined benefit obligation at end of year</b>	<b>64,528</b>	<b>65,242</b>
 <b>Fair value of plan assets at beginning of year</b>	 17,282	 18,533
Change in fair value	(915)	(1,668)
Contribution by the Company	1,193	1,272
Paid during the year	(1,088)	(855)
<b>Fair value of plan assets at end of year</b>	<b>16,472</b>	<b>17,282</b>

Plan assets comprise bank deposits, government bonds, and equity and debt instruments in active market.

The Company expects to pay Baht 5.9 million of long-term employee benefits during the next year.

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2022: 11 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	2023	2022
Discount rate	3.4	2.4
Salary increase rate	3.5 - 5.5	3.5 - 5.0
Employee turnover rate	0 - 25	0 - 30

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

		(Unit: Million Baht)			
		2023		2022	
	%	Increase	Decrease	Increase	Decrease
Discount rate	1.00	(3.1)	3.5	(5.1)	5.6
Salary increase rate	1.00	3.4	(3.1)	7.0	(6.3)
Employee turnover rate	20.00	(1.7)	1.9	(2.8)	3.3

## 16. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

However, under the Company's Articles of Association, the Company is required to set aside to a statutory reserve at least 10 percent of net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 25 percent of the registered share capital. The Company has already set aside a full statutory reserve.

## 17. Sales and service income

Revenue from sales and service income mainly comprises revenue from distribution of elastic products and revenue from shipping service as the Company has an obligation to ship goods sold to customers in accordance with conditions of contracts.

## 18. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Thousand Baht)	
	2023	2022
Salary and wages and other employee benefits	161,760	170,247
Depreciation and amortisation	23,139	24,324
Loss from exchange rate	2,758	1,106
Expense relating to leases of low-value assets	87	125
Travelling expenses	378	75
Raw materials and consumables used	249,208	298,149
Changes in inventories of finished goods, semi finished products and work in progress	7,423	16,886
Purchases of finished goods and raw materials	9,637	9,605



## 19. Income tax

Income tax expense for the years ended 31 December 2023 and 2022 are made up as follows:

(Unit: Thousand Baht)

	2023	2022
<b>Current income tax:</b>		
Current income tax charge for the year	1,945	3,166
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(1,002)	1,442
<b>Income tax expense reported in profit or loss</b>	<b>943</b>	<b>4,608</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows.

(Unit: Thousand Baht)

	2023	2022
Deferred tax on actuarial gain	540	1,025
	540	1,025

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	2023	2022
Accounting profit before tax	7,468	26,189
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,494	5,238
Effects of:		

Non-deductible expenses	148	102
Additional expense deductions allowed	(699)	(744)
Others	-	12
Total	<u>(551)</u>	<u>(630)</u>
Income tax expense reported in profit or loss	<u>943</u>	<u>4,608</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	2023	2022
<b>Deferred tax assets</b>		
Allowance for diminution in value of inventories	371	102
Provision for long-term employee benefits	9,510	9,475
Unrealised loss from forward contracts	-	3
Lease	<u>580</u>	<u>495</u>
Total	<u>10,461</u>	<u>10,075</u>
<b>Deferred tax liabilities</b>		
Unrealised gain from forward contracts	<u>(314)</u>	<u>(389)</u>
Total	<u>(314)</u>	<u>(389)</u>
Net	<u>10,147</u>	<u>9,686</u>

## 20. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 21. Financial information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the manufacture and distribution of finished elastic products. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Revenues from external customers based on locations of the customers are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Revenues from external customers		
Thailand	231,542	252,280
United States	199,191	243,979
Others	116,114	149,744
Total	546,847	646,003

### Major customer

For the year 2023, the Company had revenue from a major customer in amount of Baht 93 million (2022: Baht 147 million).

## 22. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund which is managed by BBL Asset Management Company Limited, will be paid to the employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 3 million (2022: Baht 3 million) were recognised as expenses.

## 23. Dividends

(Unit: Baht)			
Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2021	Annual General Meeting of the shareholders on 20 April 2022	35,325,000	4.71
Total for 2022		35,325,000	4.71
Final dividends for 2022	Annual General Meeting of the shareholders on 19 April 2023	21,375,000	2.85
Total for 2023		21,375,000	2.85

## 24. Commitments and contingent liabilities

### 24.1 Capital commitments

As at 31 December 2023, the Company had capital commitments of approximately Baht 15 million, relating to the acquisition of machinery (2022: Baht 1 million).

### 24.2 Guarantees

As at 31 December 2023, there was outstanding bank guarantee of Baht 1 million issued by a bank on behalf of the Company to guarantee contractual performance (2022: Baht 1 million).

## 25. Fair value hierarchy

As at 31 December 2023 and 2022, the Company had the assets and liabilities that were measured at fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)			
As at 31 December 2023			
Le vel 1	Le vel 2	Le vel 3	T otal
<b>Assets measured at fair value</b>			
Derivatives			

(Unit: Million Baht)

As at 31 December 2023			
	Le	Le	T
	vel 1	vel 2	otal
Foreign currency forward contracts	-	2	2

(Unit: Million Baht)

As at 31 December 2022			
	Le	Le	T
	vel 1	vel 2	otal
<b>Assets measured at fair value</b>			
Derivatives			
Foreign currency forward contracts	-	2	2

## 26. Financial instruments

### 26.1 Derivatives

(Unit: Thousand Baht)

	2023	2022
<b>Derivative assets</b>		
Derivative assets not designated as hedging instruments	1,570	1,945
<b>Total derivative assets</b>	1,570	1,945
<b>Derivative liabilities</b>		
Derivative liabilities not designated as hedging instruments	-	14
<b>Total derivative liabilities</b>	-	14

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 6 months.

### 26.2 Financial risk management

The Company's financial instruments principally comprise cash and cash equivalents, investments in government bonds, trade and other receivables, trade and other payables, and derivatives. The financial risks associated with these financial instruments and how they are managed is described below.

### **Credit Risk**

The Company is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks, other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### ***Trade receivables***

The Company manages the risk by adopting appropriate credit control policies and procedures including receiving advance payment for goods from new customers and retail customers. Outstanding trade receivables are regularly monitored. In addition, the Company does not have high concentrations of credit risk since it has a large customer base in various industries. The Company therefore does not expect to incur material financial losses.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### ***Financial instruments and cash deposits***

The credit risk on debt instruments and derivatives is limited because the counterparties are government and banks with high credit-ratings assigned by international credit-rating agencies.

### **Market risk**

There are two types of market risk comprising foreign currency risk and interest rate risk.

#### ***Foreign currency risk***

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign currency forward contracts. In addition, balances of financial assets and liabilities denominated in foreign currencies which were not hedged by foreign exchange forward contracts were not significant. The foreign currency risk is then expected to be minimal.

### **Interest rate risk**

Since most of the Company's financial assets bear floating interest rates or fixed interest rates which are close to the market rate and are classified as short-term, the interest rate risk is expected to be minimal.

### **Liquidity risk**

As at 31 December 2023, the Company's carrying value of current financial liabilities was Baht 53 million while carrying value of current financial assets was Baht 361 million. The Company has access to sufficient sources of funding. As a result, the Company has assessed the liquidity risk to be low.

## **26.3 Fair values of financial instruments**

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumption used by the Company in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other receivables and trade and other payables, their carrying amounts in the statement of financial position approximate their fair value.
- b) For investments in government bonds, the fair value is generally derived from quoted market prices as announced by the Thai Bond Market Association.
- c) For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, and yield curves of the respective currencies. The Company had considered to counterparty credit risk when determining the fair value of derivatives. (During the current year, there were no transfers within the fair value hierarchy. )

## **27. Capital management**

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Company's debt-to-equity ratio was 0.36:1 (2022: 0.35:1).

## **28. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2024.