



บริษัท ประชาอาภรณ์ จำกัด (มหาชน)
PEOPLE'S GARMENT PUBLIC COMPANY LIMITED



Made from
100% recycled
PET bottles



Coated with
water-repellent
Teflon



Comfortable
and Breathable

ANNUAL REPORT 2021

(Form 56-1 One Report)

Corporate Social Responsibility (CSR) Report

PG Core Values



Team Work

Efficiency

Accountability

Morality
and Integrity

”

**A job well done is because
of good Teamwork,**

Mind synergy, and Power of
thought of the good teamwork that
bring more successful at work.

Philosophy of work and life,
Dr. Thiam Chokwatana

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Mission

- Commitment to quality of design and production of Men's apparel, Sportswear, and Swimwear for customers satisfaction
 - Commitment to develop innovative products and services to create value-added to customers
 - Commitment to be One Stop service for men's apparel products
 - To increase revenue and profit growth rate consistently
 - To improve employees' knowledge, capability and quality of life
 - To provide returns to shareholders regularly
 - To operate business under responsibility to social, community, and environmental friendly together with supporting social and public interest activities
-

Financial Overview

DATA	2021	2020	2019
Financial Position and Operating Result (Millions Baht)			
Total Assets	1,631.70	1,579.24	1,650.32
Total Liabilities	225.73	200.70	181.82
Shareholders' Equity	1,405.97	1,378.54	1,468.50
Net Sales	612.62	548.49	696.64
Profit before income tax	12.37	(43.42)	9.88
Net Profit	10.64	(44.08)	3.02
Per Share Data (Baht)			
Par Value	1.00	1.00	1.00
Book Value	14.65	14.36	15.30
Earning	0.11	(0.46)	0.03
Dividend	0.10*	0.10	0.20
Market Price	6.65	4.96	5.35
Liquidity Ratio (Times)			
Current Ratio	7.94	10.71	11.29
Quick Ratio	4.90	6.82	7.04
Profitability Ratio (%)			
Return on Sales	1.74	(8.04)	0.43
Return on Equity	0.76	(3.10)	0.20
Efficiency Ratio (%)			
Return on Total Assets	0.66	(2.69)	0.60
Return on Fixed Assets	17.86	(16.51)	11.65
Financial Policy Ratio (Times)			
Debts to Equity Ratio	0.16	0.15	0.12
Dividend Payout (%)	90.21**	-	636.60
Growth Rate (%)			
Total Assets	3.32	(4.31)	(1.20)
Total Equity	1.99	(6.13)	(1.13)
Net Sales	11.69	(21.27)	0.43
Profit(loss) before income tax	128.48	(539.33)	(89.87)
Net Profit(loss)	124.15	(1,561.37)	(96.86)

* The Board of Directors' Meeting has proposed the resolution of dividend payment at the rate 0.10 baht per share. This resolution will be proposed in the general shareholder's meeting held on 27 April, 2020

** The Company has a policy to pay dividends at a rate which is not over than 50 percent of net profit and depends on the company's operation and trends in economic.



Vision

We are fully committed to be leader to
create quality products and services
with innovation of apparel in Thailand

Board of Director Report

In 2021, the global economy continues to get affected by the virus COVID-19 epidemic situation as the Virus return to outbreaks since the end of 2020 and spreading widely in Thailand during the third quarter of the year, resulting in many Economic activity was restricted under strict controls of the government for several months. However, during the last quarter of the year, The strict control measures have been relaxed. It is enable some economic activities can be resume and currently the behavior of consumers has changed to use more and more online channels continuously. The company therefore cooperates and supports customers to generate sales in both offline and online channels, including social media that can reach consumers quickly. Therefore, the company has developed products in terms of new design and raw materials to expand customer base to new customers.

As for the operating results in 2021, the company has revenue from sales amounted 612.61 million baht and a net profit amounted 10.64 million baht from consideration based on operating results and financial status, including the overall economic condition. The Board of Directors has a resolution to propose to the Annual General Meeting of Shareholders No. 43 on Tuesday, April 26, 2022 to consider and approve the dividend payment at the

rate of 0.10 baht per share.

The company continues to focus on driving the organization to create innovative products that are responsible to social and environment, Including the development of management systems within the organization to be effective, such as management of raw material costs and improving of production to be more efficiency, including management of administrative expenses, financial cost in order to increase competitiveness both domestic and export mart.

The Board of Directors and Executives have given importance to business operation under good corporate governance and working philosophy of Dr. Thiam Chokwatana, the philosophy is including transparency, accountability, integrity and honesty. Therefore, the company pays attention to the internal control system and appropriate risk management including continuously support against corruption.

On behalf of the Board of Directors, be thankful for shareholders, customers, business partners, community where the company operates its business, and stakeholders, including all agencies both public and private sectors, including the management team and employees who always have cooperated to support the Company's operations.



Board of Directors



Mr.Boonkiet Chokwatana
Chairman



Mr.Chailert Manoonpol
Vice Chairman



Mr.Viritpol Chaithavornsathien
Managing Director





Mrs. Sunan Niyomnaitham
Deputy Managing Director
Chief Financial Officer



Mrs. Somporn Tiaviboonsiri
Director



Mrs. Teerada Ambhanwong
Director



Mrs. Kityaporn Chaithavornsathien
Director

Independent Director



Mr. Khachornsakdi Vanaratseath
Independent Director /
Chairman of Audit Committee



GEN Konecharnart Chunnabhata
Independent Director /
Chairman of Risk
Management Committee



Mr. Santi Bangor
Independent Director / Audit Committee /
Chairman of Corporate Governance
Committee



Mrs. Nuchanart Thammanomai
Independent Director /
Audit Committee



Mrs. Chortip Pramoj Na Ayudhya
Independent Director /
Nomination Committee /
Remuneration Committee



ARROW
NEW YORK
POLO



ARROW
NEW YORK



UNIFORM





International Organization for Standardization



Quality Management System

- 1999 :** Received ISO 9001:1994 certification to the company is the first designer and manufacturer of ready to wear garment in Thailand which was certificated from BUREAU VERITAS QUALITY (BVQI).
- 2003 :** Received ISO 9001: 2000 certification from United Registrar of System (Thailand).
- 2009 :** Received ISO 9001: 2008 certification from United Registrar of System (Thailand) for the Design and manufacture of Men's wear, Ladies' wear, Swimwear, Children's wear and knitted fabric.
- 2018 :** Received ISO 9001:2015 certification from United Registrar of System (Thailand) for the Design and manufacturer of Men's wear, Ladies' wear, Swimwear, Children's wear and knitted fabric.



Environmental Management System

- 2013 :** Received the certificate of ISO 14001:2004 for the process of design and production of men's wear, ladies' wear, swimwear, children's wear and knitted fabric which are certified to the United Registrar of Systems (Thailand).
- 2018 :** Received the certificate of ISO 14001:2015 for environmental management system in recognition as the organization has its scope of design and manufacturing of men's wear, ladies' wear, swimwear, children's wear and knitted fabric which are certified to the United Registrar of Systems (Thailand).



Green Culture

- 2012 :** Declared the policy and engaged business according to the Worldwide Responsible Apparel Production Standard or "WRAP" which was approved at Lumphun Branch, in the Gold Certificate of Compliance, by the Worldwide Responsible Accredited Production.
- 2013 :** Declared the policy and engaged business according to the Worldwide Responsible Apparel Production Standard or "WRAP" which was approved, in the Gold Certificate of Compliance, by the Worldwide Responsible Accredited Production at Kabinburi branch.

Code of conduct

2012-2019 : The company has been cooperating with our customers to operate business in comply with code of conduct such as Code of conduct of PVH (Phillips Van Heusen). The business principles set out the moral and ethical principle especially Human right, Fair return on investment including Health & safety of employees, and Environment management which the company focus on using renewable energy and reducing pollution to the environment., including paying attention to the importance of using chemicals as well as issue a policy of chemical management.



2017-2019 : The company has been cooperating with our customers to operate business in comply with code of conduct such as Code of conduct of and code of Conduct of Peter Millar brand. The business principles set out the moral and ethical principles. The company comply all applicable laws and regulations included maintaining its standard on Thai labor law, especially focusing on communicating of various internal systems to the employees throughout the organization to know the operational procedures efficiently including Chemical management policy.



Energy saving label No.5 “Garment product”

2017 : The Company had signed MOU with the Electricity Generating Authority of Thailand (EGAT) for the “Label No.5 garment” program for energy saving textile and garment.

2018-2019 : The company has launched and distributed garment product for the “Label No.5” under brand Arrow, BSC COOL, and Primo.



Global Recycled Standard

2019 : The company has implemented the Global Recycled Standard for knitting fabrics from recycled fibers to reduce the impact on the environment, including taking responsible to society, labor, and the use of chemicals. In 2019, the company has been completely audited by Control Union.





Part 1

Business overview and performance

1.

1. Structure and Operations of the Group of company

1.1 Policy and business overview

People's Garment Public Company Limited operates its business in textile and garment business, comprising men's, women's, children's apparel, swimwear and uniforms. The company produce the products under the license of international trademark (International Brand) and the company's trademark (House Brand), the company has its first production base in Bangkok, later expanded its production capacity to the region by establishing 2 more factories, namely Lumphun Branch (Lumphun province) and Saha Group Industrial Park, Kabinburi, Prachinburi Province. The company has applied modern technology and machinery in the production process along with the development of labor skills continuously to increase operational knowledge in order to get standard quality products in every branch.

Over the past 42 years, the company's products have continually developed production processes along with product quality both production standards and safety standards according to the ISO9001 quality management system and ISO 14001 environmental management system; as a result, the company's products are safe for consumers and environmentally friendly. Moreover, it also comply with with the company's vision, mission and values to create balance in terms of economy, society and environment. This is an important factor that encourages the organization to grow stably and sustainably.

Vision



“We are fully committed to be leader to create quality products and services with innovation of apparel in Thailand”

Mission



- Committed to designing and producing quality menswear, sportswear and swimwear to satisfy our customers.
- Committed to develop innovative products and services to create value-added for the company and customers.
- Aim to be One Stop service for men's products
- Continuously generate growth rate in both revenue and profit.
- Encourage employees to have knowledge of competence in duty and having a better quality of life
- Generate returns for shareholders
- Operate business with the responsibility of social, community and environmental friendly as well as supporting activities for public interest.

Objectives and long-term goals of business operations

The company has confidence in the potential of the textile and garment business along with continuously strive to develop products to meet international quality standards while using resources effectively and environmentally friendly. Moreover, it is ready to create innovations to generate value-added for the business. In addition, it is including developing and enhancing the potential of employees at all levels to increase competitiveness along with taking part in responsibility and building a good relationship with society, community and environment. Moreover, it continuously generates returns for shareholders by operating business that take all stakeholders into account which will lead to sustainable growth.

In order to ensure that the Company's operations are in line with the main objectives and targets to achieve continuous profit from 2021 onwards, the Board of Directors considers the main strategy on an annual basis. This is to adjust the strategy of the organization in accordance with the changing situation under adequate risk management and internal control in accordance with the principles of good corporate governance. The company operate its business with regard to the environmental factors of the organization and analysis of potential impacts on relevant stakeholders. In 2021, the Board of Directors together with the management reviewed the operating results of the previous year together with changing economic conditions both internally and externally. This is to formulate a strategy that is linked to the operating plan and annual budget as follows:

Sustainable Business Development Strategy

The company has established a framework for the sustainability of the business by creating a balance in 3 dimensions to create value for the organization as follows:-

- Economic dimension** : Consistently growing of revenue with innovations that are good for society and the environment
- Social dimension** : Improve the quality of management and development of the potential of employees, including taking care of the community and society
- Environmental dimension** : Environmental management by establishing a system of operations and monitoring and the goal of action is as follows:

The company has developed a proactive environmental management plan and is committed to upgrading the green industry to a higher level by applying modern machinery technology to develop the production process as well as to focus more on using clean energy to achieve the most efficient environmental management and reduce the potential impact on society, community and environment.

Striving for excellence and business growth

The company has a plan and setting goals that will accelerate improvements to increase the efficiency of operations throughout the organization to achieve business goals by focusing on the development of every step of production to be efficient management to reduce costs and considering products that are safe and environmentally friendly is paramount.

The continued growth of business will study the market and expand the market for both domestic and international customers, it will maintain a balance of both existing and new customers. The company will require a systematic new product development process and the integration of relevant agencies for future business expansion.

Strengthen the organization

The company formulates human resource management strategies to enhance the company's business competitiveness and efficient working process, the development of employee competency, and the development of leadership including, cultivate values and create a corporate culture by bringing in technology to help support and develop database systems including enhancing the company's data analysis to support performance measurement at the organizational level.

Major changes and developments

Characteristics of business operations in the past year

People's Garment Public Company Limited started business as a garment manufacturer in 1980, before subsequently expanding into the manufacturing of knitted fabrics. The company operates its business with the alliances in order to be integrated business from upstream to downstream. It also focuses on adding value to products and creating the innovation on textiles and garments together with quality and environmental friendly, including to create a balance of economy, society and environment.

1980

PG established on January 30, 1980
Became holder of Arrow manufacturer license



1983

Registered capital has been increased to 6MB
Became holder of Catalina swimwear manufacturer license



1985

Registered capital has been increased to 12MB
Became holder of Arena swimwear & Le coq Sportif sportswear manufacturer license



1986

Became holder of Mizuno sportswear manufacturer license



1987

Registered capital has been increased to 24MB
Became Holder of Lacoste manufacturer license



2009

Launched PG's house brand "360" & "PROUD"



2006

Registered capital has been increased to 96MB Expanded Krabinburi factory with knitting line-up

2005

Launched PG's house brand "Primo Linea"



2003

Convert the par value of shares from 10 THB to 1 THB per share.

2001

SAP implementation

2010

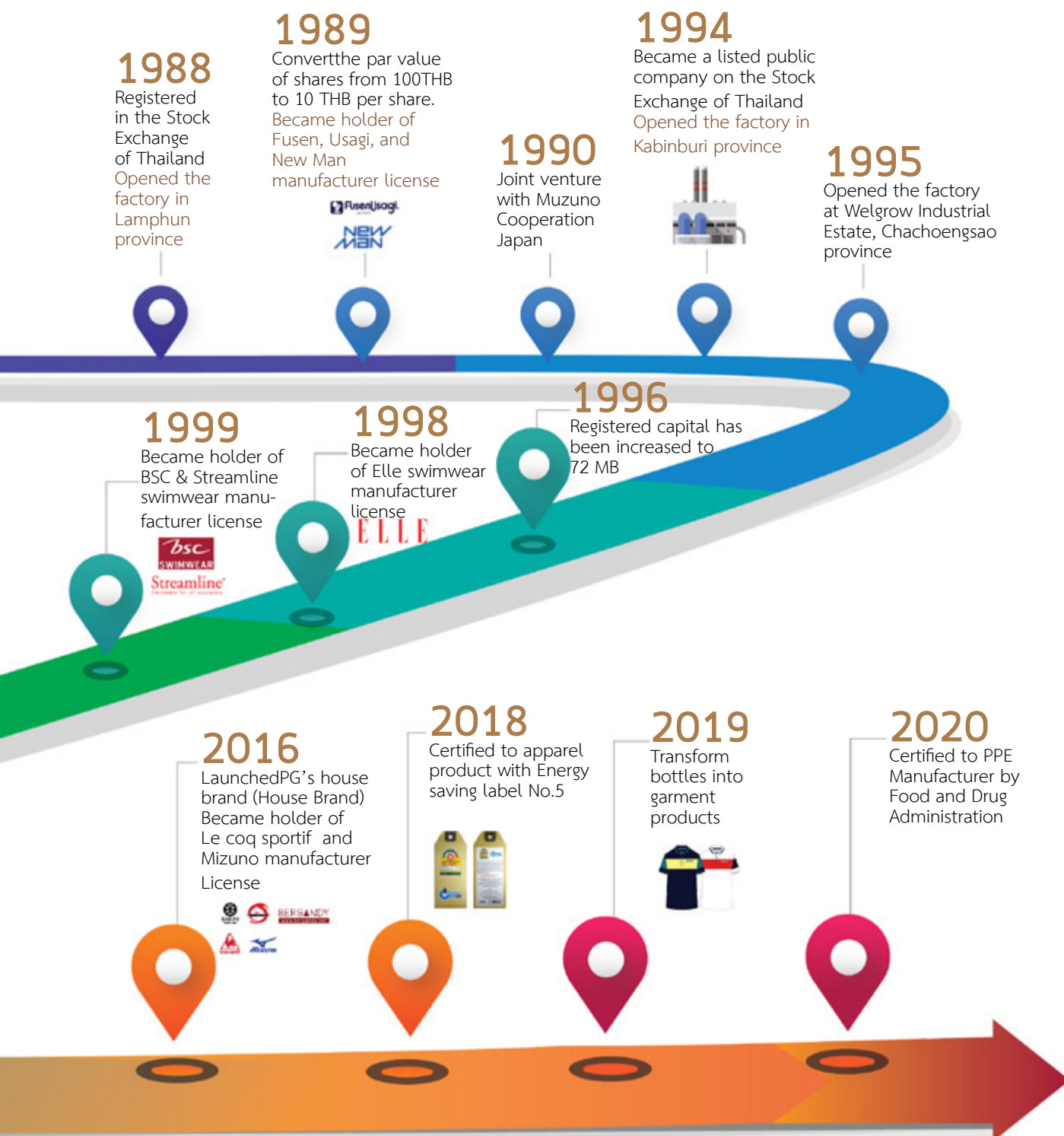
Launched PG's house brand "SWOOP"



2014

Became holder of Felix Buhler manufacturer license





Authorized power to control the company in the past year

Shareholder details presented under Section 1.3 Shareholder Structure of the Group.

Changes in shareholding structure, management or business operations or significant events during the past 3 years

- None -

General information of Company

Company name	People's Garment Public Company Limited “ PG ”
Type of Business	Textile and Garment Business
Registration number	0107537001552
Head quarter	No.666, Rama3 Road, Bangpongpan, Yannawa, Bangkok, 10120
Telephone	0-2685-6500
Fax	0-2294-5159
Website	http://www.pg.co.th
Registered capital	96,000,000 Baht
Common Stock	96,000,000 Shares
Par value	1 Baht
Fully Paid-up capital	96,000,000 Baht
Associate/Subsidiary Company	- None -

1.2 Nature of business

Income Structure

Sale revenue	2021 (ML. Baht)	%	2020 (ML. Baht)	%	2019 (ML. Baht)	%
Domestic :	449.33	73.35	463.53	84.51	595.02	85.41
Garment	431.13	70.38	446.08	81.33	552.02	79.24
Knitted fabric	18.20	2.94	17.45	3.18	43.00	6.17
Overseas :	163.28	26.65	84.97	15.49	101.62	14.59
Garment	160.81	26.25	78.91	14.39	94.31	13.54
Knitted fabric	2.47	0.40	6.06	1.10	7.31	1.05
Total	612.61	100.00	548.50	100.00	696.64	100.00

Products

Product and service characteristics and innovation development

People's Garment Public Company Limited started its business as a ready-to-wear garment manufacturer since 1980. Later, it invested in the production of knitted fabric, the Company's business operations were jointly with business partners to strengthen the business cycle from upstream to downstream, which the main products are as follows:

Textile product

The company has a production line for knitting fabrics at Kabinburi branch with modern machinery and technology to enhance the production process to be more efficient

Ready-to-wear product

The Company is principally engaged in the production of ready-to-wear garments, Men's and Women's wear, swimwear, sportswear, men's underwear and uniforms.

Textile product

The company has developed innovations in raw materials to meet the needs of customers to achieve the highest satisfaction and value by creating products under the principle that "It is a product that is safe for consumers and environmentally friendly"

The company has carried out activities to maintain product quality standards and safety standards against harmful paints and chemicals including continually focusing on reducing environmental impacts such as:-

- Certified to Quality System ISO 9001: 2008
- Certified to Environmental Management System ISO14001 : 2015
- Certified to Products that are certified to reduction of Global warming : (Cool mode)
- Certified to Product for Energy saving " Energy saving label No.5"
- Certified to Green Industry Level 4 certification

To be a guideline to reduce the impact on the environment in a sustainable way and together to support the vision of the organization **"We are fully committed to be leader to create quality products and services with innovation of apparel in Thailand"**.

Functional Textile

"Electricity Saving Label No. 5"

- **Fabric No. 5** : Safe, strong, durable, reduce heat, smooth and reduce hairiness.
- **Apparel number 5** : save electricity, comfortable to wear, no need to iron

It is made from chemicals and dyeing stuffs are safe from carcinogens and heavy metals. Strong fabric, durable color, sweat absorption and good heat transfer that makes it cool and comfortable to wear which can be washed and put on without ironing.

"COOL MODE" the symbol of environmental friendly garments

Products with special function to absorb sweat and heated-ventilation so it make them comfortable when wearing with less stuffy heat, it can be worn in buildings or rooms with air conditioning temperature 25 degrees without uncomfortable which have been distributed to Uniforms customer and customer who are interested to buy knitted fabric.

“Recycle Polyester” Changing plastic waste into clothing products

Products that transform plastic bottles to be recycled yarn with Environmental friendly innovation and it is developed to be value product. The company produces and distributes it in form of Polo shirt and T-Shirt for Uniforms customers and customer who is interested in buying knitted fabric both of domestic and overseas.

Ready-To-Wear Garment

In 2021, the company has developed patterns and raw materials for products under the brand “ARROW” to be diverse and innovative in the T-shirt Collection “NEW YORK POLO and DRY TECH SMART POLO” to create value-added for existing and new customers. This is including the development of fabric Slacks to be diverse to respond to the needs of consumers for both quality and reasonable prices.

Medical textile products (For protection and prevention from infection)

From the epidemic situation of the corona virus, COVID-19 that occurred around the world at the end of the year 2019, the company has produced fabric masks and PPE suits under the ability of companies that are garment manufacturers as follows

: Fabric mask 100% Cotton

- Prevent small dust particles 0.1 microns up to 54% and good ventilation, safe from chemical residue.

: Water repellant fabric mask

- Prevent aerosol from coughing, sneezing, can be washed up to 30 times
- Prevent small dust particles 0.1 microns up to 54% and good ventilation, safe from chemical residue.

: PPE - Isolation Gown Model “We fight” with the Government Pharmaceutical Organization

- The company received a license to manufacture medical devices from the Food and Drug Administration (FDA) by producing the PPE - Isolation Gown model “We Fight” which it is a 100% waterproof products. (Using waterproof thread), it can be reused at least 20 times.

Marketing policy

We are fully committed to be leader to create quality products and services with innovation of apparel in Thailand”. The main policy is to produce products that are safe for consumers and environmentally friendly, The company has marketing strategies as follows:

- Produce quality products with reasonable prices
- Develop every step of the production process to increase both productivity and efficiency
- Manage risks of raw material procurement to control costs to be competitive and maintain profit margins at an appropriate level.
- Develop a variety of products to expand new market bases and maintain balance for both existing and new customers.

For 2021, the global economy continues to be impacted by the COVID-19 epidemic situation from a new wave of outbreaks since late 2020 and spreading widely in Thailand during the third quarter of the year. The economy was constrained under strict control measures for months, including closing department stores and during the last quarter of the year. The strict control measures have been relaxed, enabling some economic activities to resume operation. Moreover, the domestic consumption, especially the domestic

tourism sector, which is still slowly recovering, affecting the number of tourists who are considered as the main group of apparel consumers are still less number. In addition, the purchasing power of domestic consumers has decreased because most consumers are still worried about future income so they are cautious in spending money.

At present, the behavior of consumers has changed to use more and more online channels continuously. The company therefore cooperates and supports customers to generate sales in both offline and online channels, including social media that can reach consumers quickly. Therefore, the company has developed products in terms of new forms and raw materials to expand the base to more new customers.

The company also pays attention to the direction of production and the demand for textiles and garments in the global market are changing that the demand for environmentally friendly products to reduce global warming is more increasing. Leading clothing brands have ordered apparel made from recycled fibers, reducing water used, energy used, and organic cotton raw materials as it is a Green Product that protects the environment which is an alternative for consumers selection.

The company realizes the importance of these things. Therefore, there has been a continuous cooperation with trade partners to produce such products under the brand ARROW and Uniform of various organizations such as Cool Mode shirts / energy-saving shirts 5 and Recycle shirts to support the organization's business strategy that is friendly to environment for sustainable growth.

Oversea markets

In 2021, the company has exports to the United States, Europe and Asia accounting for 27% of total sales, which is a growth from exports to the United States and Europe through the Trading Firm, which is always a trading partner with good relationship each other.

- Customers have confidence in their potential and are confident in the quality of the products, including the development of product styles to be diverse and modern , although there is still price competition from neighboring countries such as China, Vietnam, Indonesia, Cambodia and Bangladesh, which have lower labor cost.

- The company has been aggressively marketing by offering a full range of products and new innovations from fabric design, fabric production, pattern creation until sewing into ready-made garments to offer them as an sample to customers (Original Design Manufacturer : ODM) in Asian customer, which is a strategy to enhance competitiveness.

In addition, the company is able to produce both small and large quantities (Small lot / Big lot) to meet the changing needs of today's customers.

Distribution channels for foreign markets

1. Distributed through Trading Firm
2. Direct sales to customers in the United States, Europe, Asia and ASEAN.

For the year 2022, the company will continue to expand its market to the United States, Europe, Vietnam, Japan and the AEC group.

Domestic Markets

Sales of domestic garment still continue to use marketing strategies in promoting sales that stimulate the market of various apparel brands by reducing prices at department stores and various commercial areas as well as imports of ready-made garments from China, Vietnam. Cambodia, Bangladesh

and Korea. Most of them are fashion styles with all ranges of price. Moreover, there is also importing more new brand-name products from abroad to sell in huge volume causing high competition to gain more market share.

The company is aware of the importance of implementing proactive marketing strategies in conjunction with ICC International Public Company Limited, who is a key customer and distributor for the company.

- To regularly carry out surveys of customers' needs and satisfaction to ensure they are able to respond most of customers' requirements.
- Created marketing activities to attract target markets in consideration of brand image and the creating value for society.
- Developed and created innovation in order to response customers' needs for "to be safe products for customers and environmentally friendly".

As always, trademarks remain a key factor in business competition; customers are still fond of brand name products, but the company is confident that its products are well-known and are recognized quality as international standards.

Uniform

As the company has expertise from design raw material selection producing quality products delivery of goods including having good service both before and after the sale; moreover, the company taking into account the principles of competition in terms of quality and reasonable price; as a result, the Company has become a manufacturer of Uniforms, both Work wear and Office wear for well-known organizations such as financial institutions, government sectors, state enterprises, private companies and many educational institutions.

The Company is aware of the importance of Product Quality, maintaining product quality standards and continually creating customer satisfaction. with a standardized and accepted QC system.

Domestic sales and distribution channels

1. The company has assigned ICC International PLC, a significant company in the SAHA Group and a key customer of the company, to be a distributor. Its main distribution channel comprises department stores, discount stores, modern trade and, add online channels to be comply with the New Normal era.
2. Distribution via E-commerce
3. Distribution via Factory Outlet
4. Direct distribution to customers of corporate uniforms, Office wear, and Work wear to leading government, private organizations and state enterprises.

Marketing Management

In order to provides more distribution channel to customers and consumers, the company applied the following strategies;

1. Create "Fashion Trend" in advance by creating story board concept such as color concept, and mix & match of all products group, together with doing pre-collection. These strategies help making purchasing decision easier as one stop service; as a result, the customers satisfy with these operations and respond by purchasing more. Since, they have clearly visual merchandise so it supports doing marketing plan in advance.
2. Cooperation with customers in cost management in case of high volume orders in order to increase competitive advantage for customer and gain more sale revenue both parties.

3. Adding distribution channel partners by selling products via LAZADA/ SHOPEE/ JD and E-Thailand Best for house brand products. This channel is enable to expand more customer's base. Moreover, it can directly response customers' needs whose life style is modern and smartphone life style such as purchase goods via Smartphone.

The market of ready to wear garment is high competition in a wider range of distribution channels such as Department store, Modern trade and Convenience store included new distribution channel like E-Commerce and Modern trade. The competitive trend continually grows in every year as those channels are easily reached by consumers and faster response the customers' needs. Moreover, TV shopping / O-Shopping channel provides manufacturers to completely show and communicate on products innovation. These channels are trend to grow continually so the company had been applying some strategies and still carry on continuously.

As the company has changed its strategy by offering a wider range of products and innovations that customers and consumers needed, together with seeking new customers to increase sales volume. The company also modifies working process to control overall costs including the reduction of raw material costs, production costs, administration costs and financial costs in order to have competitive cost and expenses leading to competition ability in both domestic and international market.

Textile and garment situation

Textile and garment industry:- It is an important manufacturing and exporting industry of the country during the year 2020 that has been severely affected by the coronavirus. Overseas markets dwindled due to slowdown in trading partners' economies. negative exports More than 3,000 factories. Many factories in the industry have to change operation to produce face masks and PPE suits for sale in order to support their business but the textile and garment situation in 2021 has improved as follows:

Export aspect, it was worth 6,526.4 million US dollars. increased by 13.6 percent compared to the previous year, which are divided into:-

- (1) **Textile group** valued at 4,235.5 million US dollars which increased of 17.1 percent.
 - Artificial fibers grew by 31.3 percent from the US, Indonesia and China markets.
 - Yarn grew by 35.8% from Japan, China and South Korea markets.
 - Fabrics grew by 9.9 percent from Vietnam, Cambodia and Bangladesh markets.

(2) **The apparel segment** was valued at \$2,290.9 million. increased 7.8 percent year-on-year due to exports to the main market such as the United States increased by 9.3 percent, partly due to the US market, which accounts for one-third of exports. Overall, there was an increase in imports of products from Thailand by reducing imports from China as a result of the trade war.

Import aspect, the total value was 5,058.4 million US dollars increased by 17.1 percent, which are divided into

- (1) Textile group, valued at 3,459.1 million US dollars., 24.4 percent increased.
 - Yarn grew by 30.2% from the Chinese, US and Japanese markets.
 - Fabrics grew by 20.3% from the Chinese, Vietnamese and Taiwanese markets.

(2) The apparel segment was valued at \$1,599.3 million increased by 3.9 percent and resulted in a surplus in the overall trade balance valued at \$1,468.0 million.

Meanwhile, garment imports in December 2021 were found that it declined from the previous month and compared to the same period of the previous year; as a result of domestic consumption especially the tourism sector in the country which is still slowly recovering. Affecting the number of tourists who are

considered the main group of apparel consumers are still less number. Moreover, the purchasing power of domestic consumers has decreased because most consumers are still worried about future income. therefore they are cautious in spending money.

Overall aspect, apparel imports in 2021 showed that the total import value was \$925.8 million, decreased of 7.7 percent compared to previous year from the Chinese and Vietnamese markets while importing clothing/apparel from the Italian market increased by 25.0%.

Textile and garment industry trends in 2022

Regarding to the trend of the export of garments and garments in Thailand in 2022 is expected to grow by 10%, while textiles will grow 20% from the export market that situation turn back to normal situation, If compared to the situation before the problem of the Covid-19 epidemic at the end of 2019. This comes from the demand for this product caused by problems between the United States and China, causing the United States changed decision to order products from other countries, this is an opportunity to export Thai products. As for other major markets, including Europe, Japan, after opening the country, there has been a growing demand for imported products as well.

Key issues: production costs that continues to increase

As the delay in transportation and the higher cost of shipping which is more than usual, resulting in rising raw material prices that affected to the Thai textile and garment industry, it was found that the Producer Price Index in December 2021 increased (textiles +2.7%YoY and garments +0.6%YoY), decreased in profits of domestic manufacturers.

However; demand for products from major trading partners (USA, Japan, Vietnam and Indonesia) there is a tendency to increase demand for products. It is therefore expected to help Thai textile and garment exports in expanding in 2022.

In addition, there was a problem of workers who may not return to the manufacturing sector. There was a huge labor shortage, if this is not resolved, it will hinder the manufacturing sector. Manufactures have to adjust their work plans to be in line with incoming orders, for example, they may adjust working hours and increase overtime in order not to affect the orders and to keep customers so that they will not order from competitors.

As for the problem of raw material costs in 2022, there is a tendency to decrease, such as fiber, greige fabric, dyed fabric, and yarn, the price has decreased from the previous year that they price are increased. The price of cotton fell down by 20-40% from the previously which are increased to 60%, the price of polyester is expected to reduce the price by 10-20% from the original price that has risen by 30% previously.

Source: Source: Industrial Data and Digital Center,
Institute of Textile Industry Development
and economic newspapers

Product procurement

1. Characteristics of procurement of products

Regarding production policy, it is a production according to the orders of customers, and companies that act as distributors for the company, at present, the company has a head office and 2 branches which are

Business place	Location/branch
Headquarter	No.666, Rama3 Road, Bangpongpan, Yannawa, Bangkok, 10120. Management & Administrative center and Swimwear manufacturer
Lamphun Plant	No. 77, M.6 Lampang-Chiangmai Road, Bannklang, Amphur Muang, Lamphun province, 51000. Production of Ready-to-wear garments
Kabinburi plant	No.216, M.5 Suwannasorn Road, Nontri, Amphur Kabinburi, Prachinburi province, 25110. Production of Knitted fabrics and ready-to-wear garments

2. Production capacity and production volume

	2021	2020	2019
Production capacity (Unit : Piece)			
- Men and Women's wear	1,200,000	1,163,770	1,464,000
- Swimwear	80,000	72,000	120,000
- Underwear	2,500,000	2,500,00	2,500,000
Total	3,780,000	3,735,770	4,084,000
Actual production volume			
- Men and Women's wear	1,112,494	794,091	844,136
- Swimwear	70,698	54,153	78,050
- Underwear	1,470,159	1,339,684	2,406,329
Total	2,653,351	2,187,928	3,328,515
capacity utilization (%)	70.19	58.57	81.50

3. Raw materials/products procurement(Supplier)

The company is committed to providing quality products to consumers. The company therefore pays attention to the selection of quality raw materials from both domestic and international production sources, which most of the raw materials are produced domestically. Regarding distributor selection, the company has established a process of checking and select distributors both in terms of quality checking before buying. Regarding the recruitment process, which the company will consider distributors that meet international standards and product certification standards, and etc., in accordance with the policy regulations and requirements relating to company procurement to ensure that the company's procurement process is transparent and fair to all distributors

In the year 2021, the company mainly procured and ordered raw materials in the country due to having confidence in quality and continuously developing with partners to support trade in the country. Regarding for the Knitted Fabric, we use the product from the company's knitted fabric factory, which is an advantage from that the company is a comprehensive Polo and T-shirt manufacturer initially from the design, knitting and fabrication to ready-made garments; moreover, the company has continuously developed both production processes and products that are environmentally friendly. The company's products have passed international standards for the use of chemicals that are safe for consumers and are accepted by customers both domestic and abroad. In addition, the company has received good cooperation from partners in controlling chemicals to meet REACH standards and under the environmental management

system ISO14001 standards for the purchase of raw materials, knitting yarns in the country. The company will consider the upstream sources of raw materials, mainly from Australia and America, which are upstream raw materials and be accepted internationally.

Regarding raw materials for knitting and ready-made garments that mostly are natural fibers, which passed the selection process of supplier that has been certified through the Oeko-Tex Standard 100. This is a careful selection of chemical dye to avoid using formaldehyde and carcinogens, so the products are safe for consumers. In addition, the packaging materials are mostly recyclable.

Ratio of raw materials purchasing both domestic and international

In 2021, the company bought core materials and auxiliary materials for production from trading partners both domestic and international counted 73 percent from local sources and 27 percent from overseas. The company currently has suppliers both domestic and international more than 223 suppliers. The company applied criteria of suppliers' evaluation as ISO: 9001 standard in classifying partners to reach the international standard.

In addition, the company also acquires substitute raw materials of compatible quality from local and overseas sources in order to be environmentally friendly in accordance with ISO: 14001 standards and to remain consistent with the company's policies on sustainable business operation.

Supplier Assessment Result : According to ISO 9001 Standard

(Number : Supplier)

Type of Supplier	2021	2020	2019
Group A	223	213	178
Group B	-	9	15
Group C	-	1	6
Total	223	223	199

Remark : Assessment Criteria

Group A Score	90 - 100	Score
Group B Score	80 - 90	Score
Group C Score	less than 80	Score

Operational Assets

Details are in enclosure No. 4

Work that has not yet been delivered

- None -

1.3 Shareholders Structure

Company Security

People's Garment Public Company Limited is listed company in the Stock Exchange of Thailand having "PG" as the abbreviation. The registered capital is 96 million baht which paid up all amount and divided into ordinary shares 96 million shares at valued 1 baht per share.

The Company has never issued other securities except ordinary share.

Shareholders Structure

1. The top 10 major shareholders as of closing date on December 30, 2021

Shareholders	Number of Shares	%
1. Thanulux Public Company Limited	13,484,000	14.046
2. Sahapathana Inter-holding Public Company Limited	13,228,666	13.780
3. Sahapathanapibul Public Company Limited	8,450,000	8.802
4. I.D.F. Co.,Ltd	7,290,000	7.594
5. Mr.Boonsithi Chokwatana	5,256,666	5.476
6. ICC International Public Company Limited	5,040,000	5.250
7. Mr.Samreng Manoonpol	4,174,100	4.348
8. Naraporn Co.,Ltd.	3,730,533	3.886
9. Thai NVDR Co., Ltd.*	3,400,167	3.542
10. Mr.Boonkiet Chokwatana	3,386,133	3.527

* Thai NVDR Co., Ltd. is a subsidiary company of the Stock Exchange of Thailand operating a business by issuing and selling Non-Voting Depository Receipts (NVDR) to investors. Thai NVDR is responsible for executing the purchase or sale of those listed company shares whose investors wish to trade through NVDR. NVDR holders receive dividend the same full financial benefits as they would receive if investing in listed company but the NVDR holders have no right to vote in the shareholders' meeting. More information, please access www.set.or.th.

Remark : Investors can update the shareholders information at the Company's website (www.pg.co.th, "Investor Relations : Shareholders Structure") before commencement of the annual general meeting of shareholders.

Corporate Shareholders Holding at least 5 Percent or more of all voting stock.

Shareholders	Number of Shares	%
1. Thanulux Public Company Limited	13,484,000	14.046
2. Sahapathana Inter-holding Public Company Limited	13,228,666	13.780
3. Sahapathanapibul Public Company Limited	8,450,000	8.802
4. I.D.F. Co., Ltd.	7,290,000	7.594
5. ICC International Public Company Limited	5,040,000	5.250

2. Minor Ordinary Shareholders (as of March 12, 2021)

The numbers of minor shareholders (Free Float) are 647 shareholders, or 33.05 percent of the issued and paid up stock which is more than 25 percent.

3. Restriction of Foreign Shareholders

Foreigners can be shareholders but the total number of shares should not be more than 49 percent of the issued and paid up stock. As of December 30, 2021, none of foreigners hold the Company stock.

4. Shareholding Ratio of Institutional Investors

As of December 30, 2021, None of the Company share was hold by institutional investors. (According to the principles of corporate governance of Thai listed companies, it determines that the total ratio of institutional investors should be more than 5 percent)

5. Shareholders' agreement

The major shareholders of the company do not have any agreements between them. (Shareholders' agreement) or with companies in matters that affect the issuance and offering of securities or company management

Shareholding Structure in the Group of company

People's Garment Public Company Limited has no subsidiaries or affiliates company.

Cross - Shareholding

People's Garment Public Company Limited (PG) has a cross shareholding structure, nevertheless, such cross-shareholding is not of the nature conflicting with nor contradicting to the announcement by the Capital Market Supervisory Board No. Thor Chor 28/2008 regarding "the permission request and the permission to offer newly-issued shares", Clause 14.

Cross-Shareholding Details as of December 31, 2021

Company name	Shareholding Percentage (%)	
	Shareholding by the company	Shareholding in the company
1. In the case of over 50% shareholding		
(A) Other companies holding over 50% shares in the company Cross-shareholding by the company in other companies is not allowed.	-	-
(B) The company holding over 50% shares in other companies Cross-shareholding by other companies in the company is not allowed.	-	-
(C) The company holding over 50% shares in 2 other companies and over Cross-shareholding between other such companies is not allowed.	-	-
2. In the case of over 25% shareholding, but not exceeding 50% shareholding		
(A) Other companies holding over 25% but not exceeding 50% shares in the company. Over 10% cross-shareholding by the company in other companies are not allowed.	-	-
(B) The company holding over 25% but not exceeding 50% shares in other companies. Over 10% cross-shareholding by other companies in the company is not allowed.	-	-
3. In the case of not exceeding 25% shareholding*		
(A) Other companies holding not exceeding 25% shares in the company. Over 25% shareholding by the company in other companies is not allowed.	-	-
(B) The company holding not exceeding 25% shares in other companies Over 25% shareholding by other companies in the company is not allowed.		
1. Saha Pathana Inter-holding Public Company Limited (SPI)	0.41	13.78
2. Saha Pathanapibol Public Company Limited (SPC)	0.07	8.80
3. I.C.C. International Public Company Limited (ICC)	0.60	5.25

Remark : * Only items showing cross-shareholding by the companies are displayed.

Relationship with Business Group of Major Shareholder

The Company had business operation related to textile and garments which is subject to Saha Pathana Inter-holding Public Company Limited as the Company's major shareholder. Its transactions starting from upstream to downstream with group including distribution company which would help supporting and promoting the entire business operation of the Company covering materials supply until distribution, and the such transactions are normal business transaction.

Shareholder	Holding PG Stock (%)	Relation
Sahapathana Inter-holding Public Company Limited	13.78	Being the owner of the licensed trademark“ ELLE ”
ICC International Public Company Limited	5.25	Being a major customer and direct distributors to consumers and owns the trademarks “ARROW” and “BSC”.

1.4 Amount of registered capital and paid-up capital

Distribution of shareholdings by nationality as of the closing date of the share registration book on December 30, 2021

Shareholder				juristic person			Natural person		
	Share holder	No. of share	%	Share holder	No. of share	%	Share holder	No. of share	%
Thai Nationality	747	96,000,000	100.00	28	58,144,966	60.57	719	37,855,034	39.43
Foreign Nationality	0	0	0.00	0	0	0	0	0	0.00
Total	747	96,000,000	100.00	28	58,144,966	60.57	719	37,855,034	39.43

Distribution of shareholdings according to the ratio of shareholders holding as at the closing date of the share registration book on December 30, 2021.

Shareholder				juristic person			Natural person		
	Share holder	No. of share	%	Share holder	No. of share	%	Share holder	No. of share	%
- holding more than 0.5%	23	80,421,517	83.77	9	56,425,032	58.77	14	23,996,485	25.00
-Holding no more than 0.5% but not less than 1 trading unit	611	15,577,235	16.23	18	1,719,924	1.79	593	13,857,311	14.44
- Holding less than 1 unit trading	113	1,248	0.00	1	10	0.00	112	1,238	0.00
รวม	747	96,000,000	100.00	28	58,144,966	60.56	719	37,855,034	39.44

1.5 Issuance of securities

- None -

1.6 Dividend Policy

The Company has a policy to pay dividends at a rate of not more than 50% of net profit, depending mainly on the Company's operating results and economic conditions. When the Board of Directors has approved the annual dividend payment must be presented for approval at the shareholders' meeting unless it is an interim dividend payment. The Board of Directors has the authority to approve the payment of dividends and report to the shareholders' meeting in the next meeting.

Dividend payment information in the past year

	2021	2020	2019	2018	2017
Earnings per share (Baht)	0.11	(0.46)	0.03	1	(0.16)
Dividend per share (Baht)	0.01*	0.10	0.20	0.25	0.23
Dividend payment ratio (%)	90.21	-	636.60	24.99	(142.29)

Remarks

* * The Board of Directors Meeting No. 1/2022 held on February 21, 2022 resolved to propose to the Annual General Meeting of Shareholders No. 43, scheduled to be held on Tuesday, April 26, 2022, to approve the dividend payment at the rate of 0.10 baht per share, paid from the net profit that the company has already paid corporate income tax at the rate of 20 percent.

2. Risk Management

2.1 Risk Management Policy and Plan

The company attaches importance to risk management by recognizing that it is a management process that requires organizations to set the plan to prevent and mitigate impacts to business operations and operating results in order to build confidence in achieving goals with balancing under the change in business environment and prevent potential losses from various uncertainties. In addition, it considers risk management to be an essential component of every business process that must be linked at all levels in order to be clear in all level. The Board of Directors has set Risk Management Policy and has established a Risk Management Committee to oversee the overall risk management for maximum effectiveness.

2.2 Risk Factors of the Company's Business Operations

During the past year with the epidemic of the COVID-19 virus, almost every country has taken measures to stop and prevent the epidemic by having a lockdown country, including other measures which affects the normal life of people around the world which creating an adapting their way of living in a "New Normal"; result in, economic disruption and decreasing in income and purchasing power affecting the overall economic sector.

In addition it causes the development of e-commerce marketing transactions to meet the more needs of consumers whether it is an online order in various applications which is continuously expanding, Regarding the risk management, the company remains aware of the risk factors that may affect the business operations and other impacts on stakeholders which the risk factors may raise from internal and / or external factors as follows:

2.2.1 Risks from customer structure due to the less numbers of local key customers or major distributors

DOMESTIC

The Company produces textiles and garments according to customers' specifications by having ICC International Public Company Limited (ICC) as its domestic distributor. The sale orders accounted for 73.46 percent of total domestic sales, and accounted for 53.88 percent of total sales.

The company strongly believes that this customer will continue to place orders in the long run. From the preceding, both partners have had an excellent relationship and collaborated on developing business with approach strategy and launching new products to meet demand and providing greater satisfaction to customers.

However, if customers are affected by economic conditions, politics, competition or other factors resulting in a decrease in product sales; therefore the company increases other sales channels such as E-commerce, TV shopping, i.e. to increase more sales volume of the company.

OVERSEA

Distributions to overseas, company has been distributing its products to all continents such as Asia, America and Europeans Union for building selling base and dispersing risks of small numbers of customers. The company maintains the ability to produce efficiency products which reaching customer's satisfaction by its quality and delivery.

However, the company has been seeking new customers in order to have more sales volume.

2.2.2 Risks from investments

The Company investment activity is under the supervision and policy of a working committeeon investment, which is itself under the executive board to be in accordance with the ratio of investment and portfolio management guidelines. The company produces a monthly basis to review of the investment and portfolio management policy.

The company has managed the risks that may arise by investing in many institutions and setting credit limits in each financial institution in order to have proper investment diversification; moreover, it is to ensure that if there is any loss, it will affect the investment in a limited amount for debt instrument which will be invest in bonds, deposits, money market funds, and private debt instruments.

The company continuously tracks and monitors the risk of investments to ensure that the value at risk is within the determined level and the investment ceiling and portfolio investments are constantly reviewed in accordance with the current situation and possible risks.

2.2.3 Risks from exchange rate fluctuations

The Company exports its products and imports raw materials and equipment in foreign currency, which might be affected by fluctuations in exchange rates. In order to minimize risk, the company closely manages and monitors the movement of exchange rate, by balancing revenues and expenses denominated in foreign currencies (Natural Hedge). The company manages the money in the foreign currency deposit account and also uses financial instruments for preventing risks including making forward contracts in order to manage money efficiently

2.2.4 Risks of Old-Fashioned products

The company produces and distributes ready wear garments, leathers, and knitted fabrics which are fashioned products and rapidly changed. In 2021, company had inventory 328.25 million baht or 38.28 percentages of current assets and 20.34 percentages of total assets, product turnover rate was 1.61times, and Sales period 226 days . More inventories lead to old-fashioned as they are not sold out in fashion time caused a high maintenance cost. The company need to set allowance obsolescence or impairment that make net profit and liquidity of the company declined. However, the company has managed inventory not to hold them long period. The slow moved products will be on sale promotion activities. Besides, information system will be applied for analyzing the data in order to have efficiency of inventory management.

2.2.5 Risks from credit loans

In order to increase sales volume of the company, the company has distributed product to local and overseas market to gain more various customers,

So risks from credit loans may occur when debtors fail to abide by the terms of their agreement with the company and this may affect the level of working capital and company liquidity.

The company has managements and policies to prevent such risks by determining processes to carefully consider credit limit for new customers, the company will consider credit limit as well as searching and analyzing financial statements of customer individually. Regarding existing customer, the company has collaborated with customer to closely coordinate and monitor in order to reduce the risk and shorten the due payment.

In addition to carefully granting credit loan, The company has a policy to set allowance for doubtful accounts from the due date This set is take into account the effect of the probability of a weighted-average for Time Value of Money and information that is reasonable and supportable.

2.2.6 Risks from corruption

The Board of Directors attaches great importance to compliance with the principles of good corporate governance. This is considered as a key foundation for sustainable business development and value creation to lead to a competitive business by regard to account the long-term effects and conduct business with ethics and transparency, fairness, responsibility, and caution under the law related to regulations and standards. The company has an anti-corruption policy and compliance with anti-corruption policy as a guideline for company director, management, and staff; moreover, there is also monitoring of compliance in accordance with the policy as well as providing channels for reporting clues about actions that imply any corruption or violation of the Anti-Corruption Policy; moreover, there is a complaint response process, complainant protection including systematically reporting the results of the action to the complainants with a process that is appropriate and fair.

2.2.7 Emerging risks

Risks from the COVID-19 virus epidemic situation, regarding the COVID-19 virus epidemic situation that affects the economy and the broad area society around the world, causing impacts on the company, partners, customers, both in terms of production operations and overall business operations with more restriction. The company has given importance to the risk management from the impact of such situations by close monitoring assess to the situation. Moreover, there is preparing of supporting measures such as a Business Continuity Plan (BCP) and a preparedness plan to respond to external outbreaks announcement of measures to prevent the spread of disease in the workplace according to the guidelines of the Department of Disease Control, including reduce some activities that will cause mass gatherings by using an online meeting system or Conference instead of meeting face to face.

Message from the Managing Director

In 2021, the COVID-19 epidemic continues to affect economies around the world, in terms of health, commerce, economy and society. The company has managed business under the epidemic situation of COVID-19 by adjusting business strategies to keep up with the current situation; as a result, the Company's business operations are continually uninterrupted.

The Company attaches importance to sustainable business operations. There is an important concept with consideration of risks, opportunities and taking care for all stakeholders and applied to develop business strategies to meet the diverse needs of consumers under the circular economy principle. The company focuses on innovation development and readiness to use technology in the production process, including development of employees to have more potential.

In addition, the board of director has reviewed the company's policies and an action plan on corporate governance to be appropriate for the situation, such as governance, risk management and communication with employees and partners, including responsibility to society, community and environment.

Moreover, in the midst of many challenges, this includes the problem of climate change that the world has strictly issued environmental policies. It causes many brands respond to these policies. The company is aware of the policy and other measures that contribute to reduce global warming as well as collaborating with business partners and product brands to develop innovations that use plastic waste as raw materials in the production of recycled apparel for ARROW brands and uniforms of leading organizations.

Moreover, it is including work processes that support more use of clean energy and the cost-effective use of resources to make the company's products to be "a product that is safe for consumers and environmentally friendly" to create value for society.

The company focus on commitment to grow in the scope of economy in parallel with the development of society and the environment in a balanced and sustainable manner by taking into account all those involved in order to obtain the appropriate benefits. Moreover, on behalf of the company, I would like to thank the shareholders, customers, partners, stakeholders, and all related departments including and all staffs who have been always involved in supporting the Company's business.



A handwritten signature in black ink, appearing to read 'Viritpol Chaithavornsathien'.

(Viritpol Chaithavornsathien, Mr.)
Managing Director

3.1 Policies and Goals for Sustainability Management

The company is committed to doing business and developing sustainability simultaneously in consistent with the Sufficiency Economy Philosophy and the Business Philosophy of Dr. Thiam Chokwatana, Social Responsibility Guidelines, by creating participation, confidence, and value to stakeholders aiming to achieve long-term profitable growth and fully response to customer needs. Moreover, the company continuously develop production processes along with product quality to comply with production standards and safety standards for Quality Management System ISO 9001 and Environmental Management System ISO 14001 under systematic management, including having good governance, creating balance in economic, social, and environmental dimensions in order to support the organization to achieve its vision strategic direction and goals effectively.

Goals of Sustainability Management

People's Garment Public Company Limited founded since 1980 by Dr. Thiem Chokwatana who was also a founder of SAHA Group Business Empire. Throughout the past, the company has been engrossing in doing its textiles and garment business under licensed international trademark and company trademark to fully reach customers' requirements together with continuously developing its production process and products quality. The company focus on compliance with economic, ethical, social and environmental practices by enhancing skills and developing innovation Create sustainable consumption environmentally friendly Along with developing the body of knowledge within the organization and instilling morals and ethics as well as motivating and encouraging employees to apply them in their work to create a corporate culture.

Strategy direction	Economic perspective	Social perspective	Environmental perspective
Strategy	<ul style="list-style-type: none"> Develop products and services with innovation to create continuous growth rates Increase and develop relationships with business partners Sustainably Operate business in accordance with good governance 	<ul style="list-style-type: none"> Supervise and treat the employees fairly. Develop knowledge and competency of employees Conduct business with social responsibility, oversee and build relationships with all stakeholders. 	<ul style="list-style-type: none"> Taking care of the environment and use resources wisely Create renewable energy projects and participate in energy conservation projects

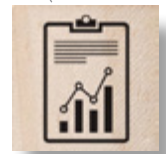
3.2 Managing impact on stakeholders in the business value chain

Assessment of Key Issues

Identifying and prioritizing in the scope of economic, social, environmental and governance issues that affect the company and its stakeholders. It is the basis for determining the way of doing business in order to make sure that we have sustainable business development by taking into account the changing context in terms of economy, society and environment. The acquisition of key issues consists of the following processes

Identifying important issue:

The company gathers sustainability issues related to business operations through a review of important sustainability issues both inside and outside the organization. As well as considering these issues together with the risks and opportunities to the organization, which is the issue that the stakeholders are interested?



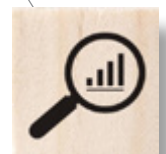
Priority grading:

Bring selected issues to be evaluated and prioritized by considering the situation and impact that affect to business operation and issues that are interested by stakeholders.



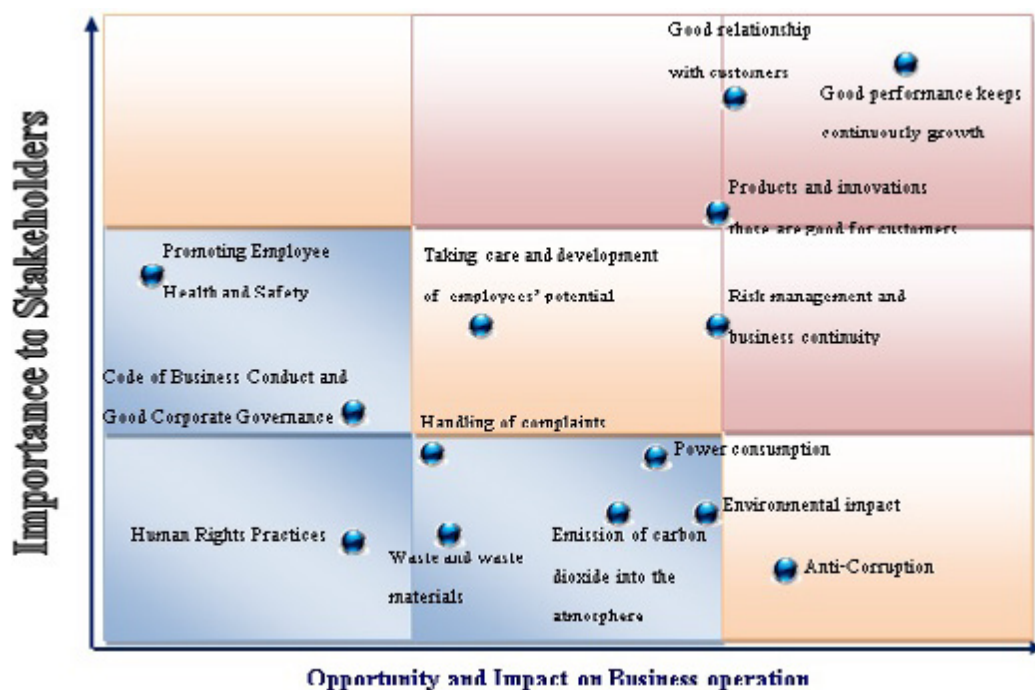
Verifying process:

The Company has verified the accuracy of important sustainability issue.



Reviewing and continuous developing:

The Company has continuously reviewing the process of preparation and information disclosure in the Sustainability Report also listen to opinions and suggestions of all groups of stakeholders in order to develop and improve the content and form of disclosure of sustainability performance in the next report.



Attaching importance to Stakeholder and Stakeholder Engagement

The Company operates business in accordance with business ethics and adheres to respect and responsibility to the rights of all groups comprising its internal and external stakeholder included society, community, and environment. This is to build confidence to stakeholders that the rights protection is granted in accordance with related laws and they are also supervised with fairness and equality. Moreover, the Company recognizes that its stakeholders play a key role in determining the direction of its business practices, so the Company determines strategy for sustainable development to all groups comprising its stakeholder as below:



Stakeholders	Channels for participation with stakeholders	Interests of Stakeholder
Shareholders & Investors	<ul style="list-style-type: none"> Annual General Shareholders' Meeting Annual Report Quarterly Performance Report and disclosure of Information via the news system of the Stock Exchange of Thailand and on Company's website. Open channels to receive suggestions and complaints via Department of "Investors relation", company website or direct contact to Company Secretary. 	<ul style="list-style-type: none"> Having a good performance with Stable and sustainable growth. Supervise the rights of Shareholders in accordance with Good Corporate Governance; also provide equal rights to all Shareholders and no violation or deprivation of rights. Disclose information both Thai and English Version on time and correctly via specific channel Set the dividend payment policy clearly Operate business in accordance with good corporate governance.
Customers	<ul style="list-style-type: none"> Communication channels: the Company's website/electronic media (Facebook/ E-mail) and customer visits/trade fairs. Survey customers 'needs and satisfactions Provision of Channels for customers to file complaints or suggestions for operational improvement. 	<ul style="list-style-type: none"> Development of product quality to ensure the product safety for consumers. Create new innovations to continually add value to the goods and services Maintain customers information confidentiality Provide system and communication channel for inquiry, complaints, and suggestions. Consideration of complaints and suggestions to improve and develop products that meet customer needs.
Employees	<ul style="list-style-type: none"> Training and enhance performance. Organize Activities for participation of employee Communicate between staffs via electronic media such as intranet system Intranet Public relations via the public address system and bulletin boards. Receive suggestions and complaints via postbox or through the corporate chain of command. 	<ul style="list-style-type: none"> Determine the principle of morality and ethics for employees. Supervise and improve quality of life and stability in life Treat all employees equally, free of discrimination on human rights. Arrange appropriate compensation and benefits Enhance employees' knowledge continuously including promoting career path. Provide communication channel for any claims or suggestions related to the matters. Arrange safety in workplace and provide necessary tools and maintain good working environment by concerning on safety and health.
Trade Partners	<ul style="list-style-type: none"> Clarification of, and encouragement of partners to understand, the Company's policies and ethics in business practices. Partner visits to exchange experience and expertise and listen to the partners' problems/suggestions. Fairness and equality. Accepting suggestion and complaints channel via company website, independent director email and company secretary email 	<ul style="list-style-type: none"> Perform business operation in accordance with trade agreement and contract. Considering framework agreement of fair competition Communication with partners about the Company's policies and ethics in business practices. Exchange of knowledge, experience and expertise. Refrain from soliciting, accepting or allowing acceptance of any property or other benefits outside of what is specified in the trading agreement. Duly consider and set appropriate purchasing prices and formulate scrupulous and transparent procurement procedures

Stakeholders	Channels for participation with stakeholders	Interests of Stakeholder
Competitors	<ul style="list-style-type: none"> Communication channels : Public forums 	<ul style="list-style-type: none"> Business practices with transparency under fair trade and fair competition Avoidance of seeking confidential information of the competitors by dishonest means or damaging Avoidance of damaging competitors' reputation by slandering.
Accounts Payables	<ul style="list-style-type: none"> Annual Report/Social, Community and Environmental Responsibility Report through related section and company's website Accepting suggestion and complaints channel via company website, independent director email and company secretary email. 	<ul style="list-style-type: none"> Perform business in accordance with agreed trade conditions strictly. Punctual payment to accounts payables based on terms of agreements, without default by applying the Bank's money transfer instrument "Media Clearing" system
Society, Community and Environment	<ul style="list-style-type: none"> Arranging activities to educate general public Community projects on occupations, education and environmental protection Activities for community participation such as Community dialogues Organize campaign for energy-saving awareness, environmental protection, and efficient use of resources. Accepting suggestion and complaints channel via company website, independent director email and company secretary email 	<ul style="list-style-type: none"> Perform in accordance with social responsibility Support development of community and society as a whole. Sharing of the Company's occupational knowledge and skills to the community Community projects on occupations, education and environmental protection Training staff on Anti-Corruption and disseminate anti-corruption policy on company website and intranet system. Considering environmental standard for business operation
Government Agencies	<ul style="list-style-type: none"> Asking for legal advice and tax via website of Department of revenue. Asking for legal advice and government operational guideline for specified and related sections such as Ministry of labors, Department of Business Development, and Customs Department 	<ul style="list-style-type: none"> Compliance with laws, rules and regulations on correct and transparent business operations. Control of the environmental quality to ensure that it is above the minimum standard assigned by law. Provision of correct and quick information for overseeing government agencies.

Sustainable Business Operations

Management Guidelines

The Company's vision is "We are fully committed to be leader to create quality products and services with innovation of apparel in Thailand" Being a manufacturer and seller of garments and knitted fabrics, the Company's mission is to create the security and build the economy for the country taking into account all groups of stakeholders. This is based on the good corporate governance policy, as well as operational directions that are consistent and drive the organization into the achievement of its business goals.

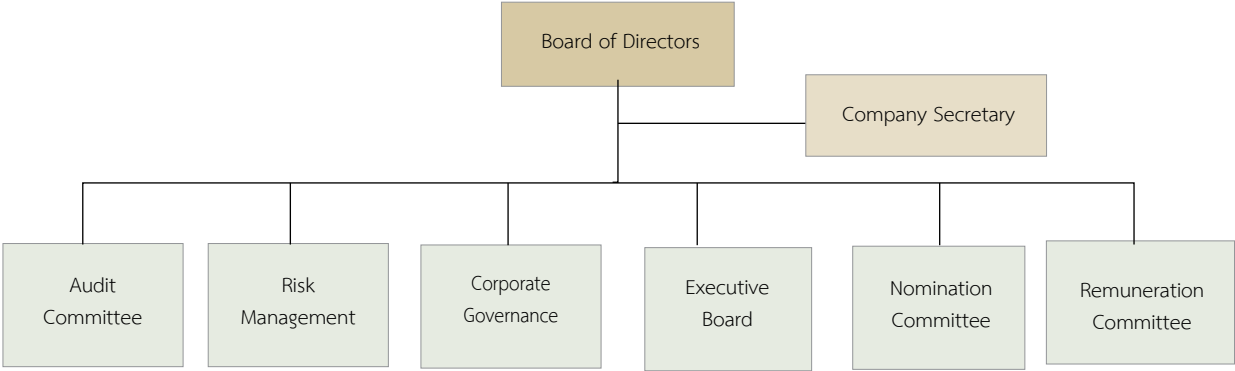
The Company has operated in line with the guidelines for sustainable development, and it has raised the awareness among the management and employees throughout the organization about the efficient use of energy and resources. It aims to continuously develop environmentally friendly products in order to reduce

greenhouse gas emissions and get involved in reducing the impacts of global warming. The development of such environmentally-friendly products covers work processes, production, procurement and distribution of products and services, good corporate governance, business ethics, and codes of ethics for the directors, the management and employees, including measures pertaining to transparency, fairness, anti-corruption, as well as social, community and environmental responsibility. The objective of the development of environmentally-friendly products is to have the Company grow in parallel with the creation of value added to society and the environment in a sustainable way.

Structure of Management for Sustainability

To achieve the efficient performance of the Board of Directors, the Company has established six sub-committees to carefully screen assignments under the good corporate governance principle.

The Board of Director has designated the Corporate Governance Committee to take charge of social and environmental responsibility, with the Company Secretary serving as the coordinator. The Company is going to restructure the committee to assign them linked responsibilities to enhance the efficiency and effectiveness. The organizational chart is provided below



Sub-Committees Officiate specific functions covering economic, social and environment perspectives as well as considering various matters to be correct, suitable and efficient as follows

Economic perspective

Executive Committee: - Managing Director, as the Chairperson, is responsible for ensuring the operations to achieve the goal while complying with the corporate policy as prescribed by the shareholders according to the resolution of the shareholders’ meeting.

Risk Management Committee Members of which Independent Director acts as Chairman to the Risk Management Committee and Vice chairman, Managing Director, and high-level executives are responsible for monitoring the processes and identifying the risks regarding the project as well as evaluating and approving the Risk Management plan proposed by the Risk Management Committee.

Social Perspective

Corporate Governance Committee of which Independent director acts as Chairman to the Corporate Governance committee, duty on proposing the good corporate governance practice, reviewing the guidelines and principles of good corporate governance and also tracking corporate social responsibility operations so that they can respond to all stakeholders equally, efficiently and effectively under the corporate governance policy, business ethics and code of conduct for Directors, Management, and Employees.

In the year 2021, the Corporate Governance Committee held 2 meetings focusing on maintaining standards and developing good corporate governance to be continuous and sustainable in order to create for being the culture of the organization and to adhere as a practice to be important issue as follows:-

- Review of the corporate governance policy, the good corporate governance principle, business ethics, as well as the codes of ethics for the directors, the management, employees, and anti-corruption.
- Encourage all departments in organization to apply and announce anti-corruption policy thoroughly.
- Proposed suggestion of guideline to determine business goals and corporate strategies.

In addition, monitoring of business operation is adopted based on the principles of good governance as listed below:

1. Rights of Shareholder
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure of Information and Transparency
5. Responsibility of the Board of Directors
6. Good Corporate Governance policy
7. Anti - corruption policy

The company has communicated and publicized to all levels of employees to emphasize the guideline for the good corporate governance policy for the employees. This is including campaigning against anti-corruption practices for employees and expanding into business alliances of the organization. The companies in the Saha Group have created animation to create awareness among employees since beginning to work and those who involved with the organization.

(For details of performing to stakeholders is disclosed in the annual report of 2019 under subject “Corporate governance” including Reports of Corporate Governance Committee)

Safety, Health (Occupational) and Environment (SHE) Sub-Committee is responsible for developing the framework and roadmap for Security, Health (Occupational) and Environment (SHE) of the company. This committee shall carry out SHE-related activities of the company, oversee, and evaluate the operations continuously in order to improve the taskforce.

Welfare Sub-Committee: To act as a medium to provide assistance in welfare issues to employees and taking care of employees’ quality of life. This committee shall involve in social community development, define the directions, and carry out operational plans for the community development initiatives in order to consistently improve the taskforce.

Environmental Perspective

Energy and Environment Conservation Sub- Committee is responsible for carrying out energy saving projects that are aligned with the corporate energy-saving policies and controlling how effectively the energy is consumed by collaborating with other related parties. The objective of this committee is to make the energy management initiatives aligned and complied with the corporate goal.

Corporate Social Responsibility Policy

The Board of Directors of People’s Garment Public Company Limited is adhered and committed to implement the business practice based on good corporate governance by adopting good corporate governance principles of the Stock Exchange of Thailand and regulations of the Securities and Exchange

Commission and the Capital Market Supervisory Board. It was considered as factors in strengthening effectiveness of organization management system, honest, transparent and fair including take responsibility and consider for the rights of all stakeholders thoroughly, appropriately and be in line with current circumstances in accordance with Sufficient Economy.

As a guideline for the implementation of social responsibility, the main guidelines **are defined into 8 areas which compose of Good corporate governance, Fair business practice, Anti-corruption Corruption, Community and Society, Employees, Human Rights, Environment, and Development of innovation.** The Company has a guideline for social responsibility as following:

1. Good corporate governance

The Board of Directors apply corporate governance policy to implement good corporate governance, the Board of Directors believe that good corporate governance consist of Board of Directors and Management teams who have good vision and responsibility, good management system, monitoring system, and a system of Checks and Balances to further the administration and management to be transparency, accountability, fairness, and respect to the rights of shareholders and stakeholder. There are important factors to increase values and highest benefits to shareholders sustainably in long-term period.

Corporate Governance Policy

The Board of Directors played a key role in determining the direction of the Company's operation, overseeing, monitoring Anti-corruption policy of management team.

In order that the business operation of the company and performance of directors, management, and employees to be in accordance with legal and ethics, the company provides "Corporate Governance Manual" as a guideline and framework to follow clearly. The Board of Directors annually reviews the principles of good corporate governance which consists of **"Policy of corporate governance, Principles of corporate good governance, business morality, and ethics for board of directors, executives, and employees"**. In addition, it is published on website www.pg.co.th and Intranet system of the company for all acknowledgements and as a guideline to perform business operation and principles for working in order to get highest benefits to the organization and stakeholders together with supervision to perform activities legally. (For more details information about Corporate Governance is disclosed under the section of "Corporate Governance," in the Annual Report

Compliance with the good corporate governance policy

The Board of Directors have operated their business according to the appropriate objectives and effective by using expertise, carefulness, and the attention required to protect the interests of the company and in accordance with the law, objectives and regulations. In addition, The Board of Directors has complied with the best practices for directors of public company and good corporate governance principles for listed companies in 2017 and recommendations of the Thai Institute of Directors Association (IOD) in terms of roles, duties and responsibilities that must be carefully scrutinized before making any decisions. This is for being the operation that is reasonable on the basis of honesty, transparency and ethics and taking into account the stakeholders and protects the interests of shareholders in all aspects

In 2021, there were no evidence of policy violations and the company did not claim for any loss and damage from the stakeholders.

2. Fair-Trade Business

The company supports and promotes business competition with fair-trade business without trade mo-

nopoly and avoidance of seeking confidential information of the competitors by dishonest means or illegal including giving respect to legal rights on intellectual property of others which guideline for management guideline are described in the following details

1. Create business partners for mutual growth and development in long-term period under fair competitive framework in accordance with principles of procurement and standard quality system ISO:9001 since partners recruitment, partners assessment, and price comparison.
2. Do not discredit reputation of competitor, avoidance of seeking confidential information of the competitors by dishonest means or illegal, do not copy or violate intellectual property of others for personal benefits
3. Do not agree to accept or take a bribe, asset, and other benefits from anyone which is not listed in the trade agreement.
4. Operate business, with partners, customers, government agencies, private sectors and trade competitors, should not denigrate the reputation of the company or illegal practices as below

details:-

- **Customers** : Be committed to customer satisfaction and confidence. Stay customer-focused and take any appropriate action for the benefits of the customers. The company will ensure that the customers receive goods that are in high-quality, safe, and environmentally-friendly within an affordable price and in accordance with the standards set forth Along with providing information necessary to make decisions without undisclosed or distorting the facts as well as strictly abide by the terms and conditions that commits to the customers. There is a development to raise the standard to increase the value of products and services to meet the needs of customers continuously. Moreover, to maintain good relationships and sustainable with customers seriously and consistently, including not doing any actions that is a violation of the rights of customers and also keep trade secrets of customers. Do not use it for one's own benefit or those involved illegally.
- **Business Partners** : Respect the trade agreement that is based on a fair-trade competition Consider equality, parity, and integrity in doing business for mutual benefits with partners and having an effective partner recruitment system that builds a value chain in consisting of partners who operates its business with Occupational Safety and Health Standards, and concerned on environmentally friendly, nurture good relationship, share and exchange information, collaborate for development and add values to goods and service for mutual growth
- **Business Competitors:** Treat competitors with the law of fair-trade competition. Be committed not to seeking out confidential information from direct competitors in an unethical manner. Stay refrained from committing defamation against the direct competitors.
- **Government Agency** : Prioritized for transparency and integrity in business transaction with government authorities and stay away from inappropriate actions that may violate the good corporate governance. Stay against all bribery for government officers with an intention to gain facilitation or benefits for its business.

In addition, The company provides extensive channels of communications for partner, customers, and stakeholders to provide their complaints and feedbacks and be treated with fairness in practice.

Receptions, Receipts and Grants of Gifts

The company aims that the business of the company is in compliance with the direction of fair competition. However, receptions, accepting or giving gifts or accepting receptions in accordance with customary practices in order to maintain good relations between each other. This is practice that should be performed as appropriate by setting guidelines as follows:-

1. No taking or giving gifts or hosting events that may influence any decision. If necessary, the gifts or events that are valued more than expected, all employees must report to their supervisors or managers respectively.
2. In case of assigned by the direct managers to work on-site at other customer's location, the policy is also the same for such occasions as winning a prize, complementary gifts, or lucky
3. If a representative, partners, shareholders or other parties would like to give gifts, complementary assets, and hospitality events on behalf of their company to PG employees; it must be approved by the company in advance.
4. The expenditure of those activities mentioned above must be in a reasonable range of budgeting.

In 2021, executives and employees has delivered gifts received from business partners to the company secretary division and jointly allocated to employees in the organization for the ninth consecutive year under the project "From the heart of partners ... to PG" makes employees proud of their participation for the success of the organization

Non-infringement of intellectual property

The company shall not take any action that violate intellectual properties of others, including to promote the executive directors and employees to use company resources and assets effectively and also use only those covered with its copyright properly. As a whole, the company is against the pirated versions of goods and services which violate copyrights of others. The company is thus committed that:

1. Operate business with a respect to the laws, regulations and committed agreements related to copyrights.
2. Be responsible for pieces of work as the company's intellectual properties and will not exploit them for others without prior approval.
3. Respect the intellectual properties of others and will not violate other pieces of work by exploiting them for private benefits unless it is allowed or compensated by the owner of the intellectual properties.
4. The pieces of work contributed by the employees at work are regarded as intellectual properties of the company. If the employees resigned from the company, those pieces of work must be sent back to the company, regardless of any recording formats.

Promoting Social Responsibility in the Business Chain

The Company has introduced a process and technology that are concerned about potential environmental impacts, started from the selection of raw materials and energy and technology, in order to ensure the efficient use of energy in the production process, to the production of finished goods. Thus, the Company has managed risks in the supply chain to maintain the continuity of its business operations. It has adopted sustainable development and virtuous business practices under the good corporate governance principle as a mechanism and strategy for the development of sustainable supply chain management, in order to establish a linkage between each operation. It has formulated policies for effective implementation.

Environmentally-friendly Procurement

Procurement is an important process in the management of cost-effectiveness together with product quality. The Company's procurement involves the selection of products and services that have good quality while reducing environmental impacts simultaneously; it does not take into account only price. This aims to encourage changes and instill environmental awareness into both employees and suppliers so that they shift to goods and services while considering more environmental impacts.

Environmentally-friendly procurement consists of compliance with laws, control of the manufacturing process to ensure environmentally-friendliness, energy management, water management, and waste management.

The company has applied trade partners' recruitment and verification that are certified to quality standard; moreover, the Company has auditing, partner evaluation and selection, as well as monitoring systems that take into account the quality, quantities, deliveries, including the minimum requirements of labor law and quality management systems, such as ISO 9001 and ISO 14001. The evaluation criteria are as follows:

Partners' evaluation in accordance to quality standard



A Grade 223 Suppliers
B Grade - Suppliers
C Grade - Suppliers

Result of Partners evaluation



A Grade 216 Suppliers
B Grade 7 Suppliers
C Grade - Suppliers

Criteria for assessment according to quality standards are as follows:

ISO 9001		ISO 14001	
	Quality control of raw materials		1. Efficient use of resources
	On time delivery of raw materials		2. Waste segregation / putting waste in a proper location
	Completely amount of raw material as required		3. System of preventing and controlling the release of any contaminated waste into the environment
			4. Appropriate methods for handling hazardous chemicals, materials and raw materials
			5. System of delivering vehicles that are in good condition, without causing
			6. Preparation for emergencies
			7. Safety, occupational health, and the working environment
			8. Compliance with the environmental regulations of the company
			9. Cooperation in solving environmental issues
			10. No complaints from stakeholders/related parties

Production Process

The Company place the importance on optimized and analyzed its production process, from receiving raw materials, having finished goods and services available, and transporting finish products, based on the concept of “safe and environmentally-friendly products”. For instance, it has adjusted and controlled the production system by using the LEAN and shop-floor control systems, using biomass in replace of fuel oil, and using the evaporative cooling system (EVAP) instead of the air-conditioning system, which can reduce energy consumption. Despite increased production capacity, the impacts of the production process have decreased

Efficient and Environmentally-friendly Freight Transport

The Company has utilized software for transport management in order to enhance the transport efficiency. Transport planning, in terms of routes, vehicle and modes of transport is an important factor in transport cost management. This has resulted in an efficient use of existing assets and a reduction in greenhouse gas emissions to render environmentally-friendly transport. The details of such planning are outlined as follows:

1. Setting the truck schedules for each plant via the Intranet
2. Reduction in empty truck transport for round trips by coordinating with other companies under the SAHA Group to match transportation schedule, if it is available.
3. Use of software to control the load of each shipment to achieve energy efficiency.
4. Reduction in energy use by training drivers to drive safely and raising their awareness about driving at an appropriate speed and studying routes every time before starting.
5. Regular inspection of vehicles to ensure safety and energy efficiency.

The above-mentioned management has led to the reduction of greenhouse gas emissions. The Company has extended the results to its partners (freight transport companies), and it has received good cooperation from its partners.

Partners, Service Providers and Distributors

The Company has evaluated the performance of, and paid visits to, its partners, service providers and distributors on a regular basis to ensure their compliance with the environmental management system ISO 14001 and the policy towards the management of energy and environmental conservation. This has allowed the Company to select partners in a systematic manner to make sure that throughout the supply chain it has partners that operate their business in compliance with the law, safety and occupational health standards, and the principle of being environmentally-friendly. The Company has supported environmentally-friendly procurement by considering products and services rendered by operators that comply with environmental standards or the Company’s criteria. The criteria include legal compliance, efficient use of resources and energy, production control, and waste management. This aims to enhance the capacity and efficiency of their joint business operations and upgrade to be the greener procurement in the future.

Based on the above operations, the Company expects that its partners, service providers and distributors will be able to extend the environmental management guidelines into standards in other chains.

Customers, Consumers, and End-Users

The company realizes that business organizations will be sustainable on a condition that it needs to deeply understand the needs of the customers. Nowadays, expectation from the customers is unlimited and not scoped within what the business did to the market. However, they expect more of how the society and

environment will benefit in a sustainable way from the actions by the company. So, the company builds innovations while considering the effects on society and environment together with increasing capability to compete with others and business values in mind simultaneously such as Cool Mode and I-Flex products. (More details are disclosed in the topics “Innovation of PG from business operation with responsibility”)

Responsibilities for Consumers

The company realized that customer satisfaction and their confidence are key to success towards sustainable business growth. The best practices and policies are as follows:

1. Manufacture goods that are safe for consumers and friendly to the environment
2. Developing new innovations and services to increase values to its goods and services in order to response to customers’ needs continuously. As well as providing essential information without undisclosed information for the customers to make a smart purchasing decision.
3. Do business based on integrity, fairness, and transparency; do not violate the rights of the customers; do keep customer information confidential; and do not abuse the customer information for any other purposes.
4. Do not claim, take, or agree to take assets or privileges from the customers in an unethical manner, whether express, implied or statutory.

The company will prudently manufacture products that are with high quality, durability and at affordable price. With the concern of quality and safety standard of the products, the company thus place a quality assurance in each process starting from the raw material selection, to the delivery to the hands of the customers. The assurance will help the customers stay away from risks and hazard as follow:

- Control the safety of the raw material by bringing in the (REACH: Registration Evaluation and Authorization of Chemicals from EU as a baseline in determining the standards of raw material selection
- So, the raw materials are free from hazardous substances such as formaldehyde.
- Control the safety of the products during the production process before approaching the customers including:
 - Control the production site areas to be free from hazardous chemical for local and international customers
 - Examine heavy metal substance in the products such as mercury or lead
 - Examine needles or pieces of metal in the products
- The product packages are reusable and degradable by nature, leaving no harm to the environment

Standards and Customer Safety

The company has a quality control system in every process in order to produce quality products and safe for consumers. The company adheres to the importance by focusing on quality management to reduce environmental impact sustainably. The company is aware of the importance of environmental management through a systematic production process. The company announced the policy and implemented in accordance with the relevant standards as follows:-

- Receive the internationally recognized standard for quality management systems, ISO 9001: 2015, ranging from the design process, raw material procurement, tailoring, quality audit, and packaging, of which can be examined in every process and those are certified to Environmental management system ISO14001: 2015.

- There is a quality audit unit and laboratory systems for quality tests of international standards, which can respond to the needs of European (ISO), American (AATCC)^① * or Japanese customers (JIS)^② **), to ensure that the products have color durability, chemical safety, and long duration useful life
- Complying with the Code of Conduct of customers Phillips-Van Heusen and Peter Millar in terms of safety, occupational health and the environment and compliance with social responsibility standards for labor (WRAP).
- **Certified Global Recycle Standard (GRS)**, an international standard From the development of innovative products produced from fibers weaved from 100% recycled plastic bottles, it is the recycling of plastic waste to reduce pollution affecting water sources and the environment.

It is to create confidence and to ensure that the company has Continuously developed to comply with various systems and standards that are globally accepted

Labels of Products and Services

The company realizes the importance of labels on each product. So, it dictates that all products should be labeled or tagged with instruction, advice, or information required by the laws such as legal notice, regulations, international standard, and Office of The Consumer Protection Board for individual products of the company

This is for the customers to gain the most benefits from the product they are buying, which is safety and environmentally friendly. Moreover, the customers can realize the impact that happens during product life cycle. This information will further the decision of customers when they decide to buy the product. In addition this information is not only stimulated the purchasing decision but also change buying behavior to buy the eco-friendly product.



Measuring Customer Satisfaction

suggestion from the customers, the company will analyze and improve working processes for better results, included development of product to comply with customer's needs.

The results of customer satisfaction measurement for year 2021



^① AATCC stands for American Association of Textile Chemists and Colorists or the standards, test methods for dyeing, maintenance and various qualities of fibers.

^② JIS stands for Japanese Industrial Standard, the quality standard of Japan.

Resolving Customer's Reported Incidents

The company implemented the systems and channels to receive complaints or incidents, inquiries, and suggestions from the customers regarding the products and services from any channels they are most convenient. There are multiple channels that the customers can access (More details are disclosed in the topic "Communication Channel") such as call center which is connected to ICC International (PCL)'s database. The database of ICC is the main database of the company and ICC is also a major distributor of the company. All reports from the customers are regularly updated and resolved consistently.

Communication Channels

The company implemented the systems and channels to receive complaints or incidents, inquiries, and suggestions from the customers regarding the products and services from any channels they are most convenient. These channels include:

	Tel.	E-mail
Business 1	0-2685-6537	nutchapunporn@pg.co.th
Business 2	0-2685-6565	photchamarn@pg.co.th

Apart from this, the company provide communication channel via social media such as website www.pg.co.th and Facebook fan page, all of which can provide immediate responses to the changing demands of the customer, improving the effectiveness and responsiveness in communication and enhancing products displayed online. Moreover, the channel is also provided through any exhibition such as Saha Group Fair, the one that the company has regularly involved so that the customers are able to see products and giving advices or comments on company's products for bringing up more continuous improvements and development in the operation processes.

In 2021, no significant reported incidents from the customers were found. Minor or other issues were analyzed for the cause and resolved accordingly to prevent future failures. All the systems were well monitored so that the same issues were not repeated in the future.

Anti-corruption

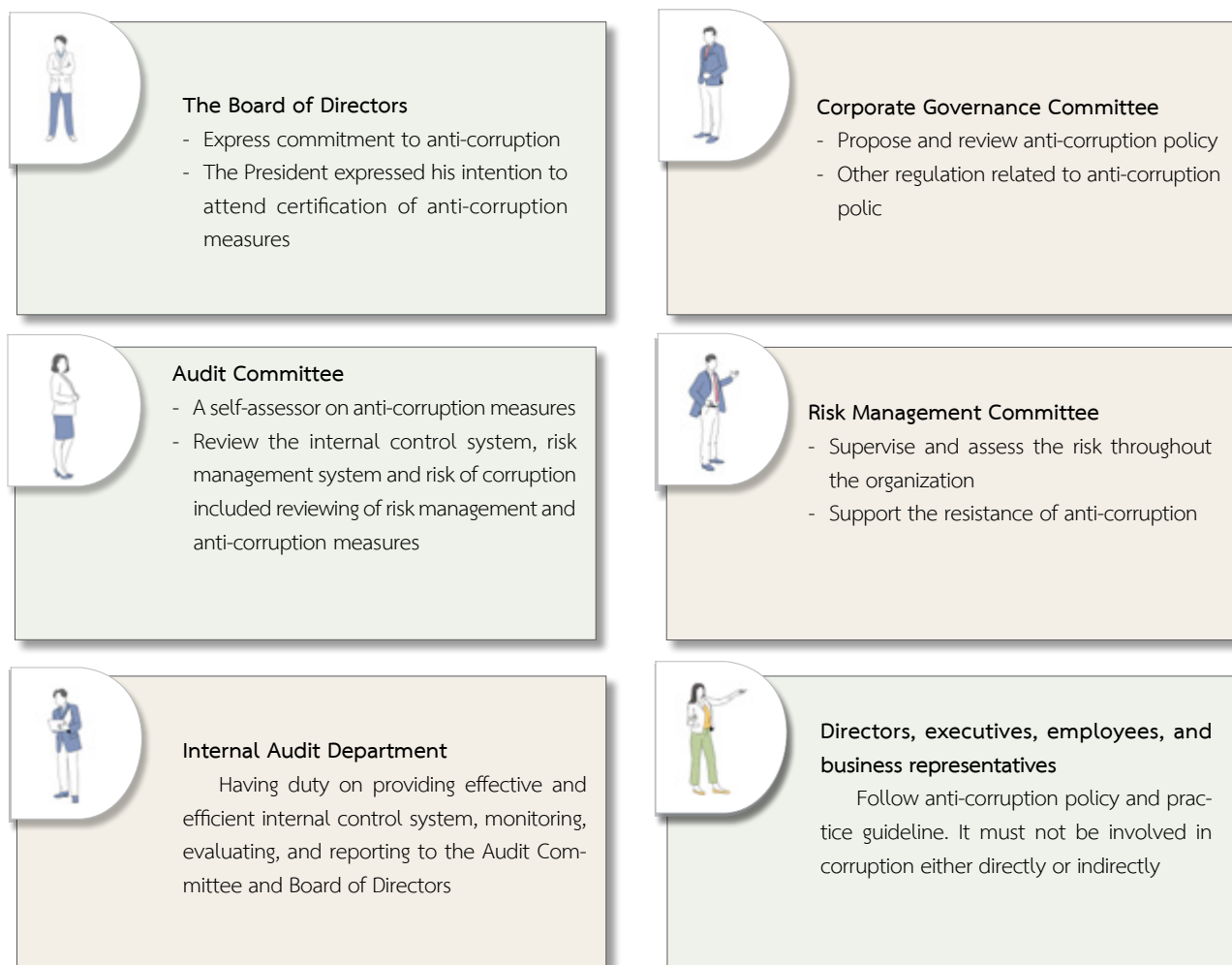
The Board of Directors has established an anti-corruption policy so that all operations and procedures are carried out correctly, in accordance with the rules and regulations of the company. The Corporate Governance Committee is responsible for promoting the compliance with the mentioned policy so that all levels of relevant parties comply with the policy, practice, and various regulations that are related Code of Conduct for Company Directors, Executives, and Employees. Moreover, the company are committed to resist any type of corruption through realizing that bribery and corruption and hazardous to fairness and freedom competition. These also damage economic and social development, moreover, the company's policy for business advantage is not to offer any bribery or reward in regardless of direct or indirect manner or even third party such as customers, partners, external agency/organization, and government officer, and this is to maintain business benefits or advantages. Moreover, the company has policy not to offer bribe or reward to rush any facilitate or benefit to its business.

The company has published Anti-Corruption Policy and Compliance with the Anti-Corruption Policy on the website www.pg.co.th under the subject of "Good Corporate Governance".

The company attaches great importance to combat the corruption and The Company attaches great importance to combat the corruption and cultivate it as corporate culture by orientation to new employ-

ees the “pre-work preparation program”. Furthermore, all executives and supervisors have been trained on “Risk assessment on corruption”. They communicate to all workers level to have knowledge and lead to practice. The company continues to provide training and policy-based assessments. The training plan has set for 100% cover total number of company employees.

The Thai Private Sector Collective Action Coalition against Corruption (CAC) Committee has resolved to renew its membership of the Thai Private Sector Collective Action Coalition against Corruption on November 4, 2019. Continued implementation of CAC processes, the process of assessing fraud risks, establishing supervision and control practices to prevent and monitor fraud risks, establish guidelines for monitoring and evaluating the implementation of the anti-corruption policy. This is to ensure that the company operates business with transparency, fairness, and is committed to anti-corruption both inside and outside the organization in order to comply with legal principles, the moral and corporate governance principles are as follows:



Implementing anti-corruption policies and measures for implementation

- The company provides an anti-corruption policy and compliance with the corruption and bribery policy for the benefit of business, including disciplinary action against directors, executives and employees at all levels to cultivate good awareness, discipline, morality To lead to a corporate culture
- To promote and support directors, executives and employees to join the training to create good awareness for both inside and outside organization.
- To communicate the anti-corruption policy and the compliance with the anti-corruption policy to the customers, business partners, and ask for cooperation as being a representative in acting on behalf of

the company in whistleblowing if detects any act inappropriate acts. It also communicates the policy of not accepting gifts for every festival to its customers and partners annually.

(Details appear in the topic Corporate Governance “Chapter 3 Roles of Stakeholders, Anti-Corruption Policy” and published on the Company’s website www.pg.co.th under the subject of “Good Corporate Governance”)

Receiving complaints

The company has set up a policy to accept complaints as well as to protect the complainant to ensure that the accountant and the human resources department will do the duty of taking care and giving advice together with monitoring behaviors and actions of employees to act correctly. In addition, there is a channel for receiving complaints from all groups of stakeholders about improper or inappropriate manager, regulations, laws and good corporate governance, code of conduct or various rules of the company that may cause damage to the company in both of property and reputation of the company.

The company has provided a channel for shareholders to all groups of stakeholders to be able to report and complain directly to the directors by assigning the Audit Committee and the Corporate Governance Committee to be as the recipient of these complaints to investigate and report to the Board of Directors.

Throughout the years, the Board and the management have constantly adopted the philosophy of a sufficiency economy as the guideline for organizational management. Also, they have been committed to strict administration based on the good corporate governance principle and adhered to the principle that all employees throughout the organization shall perform their duties with diligence, integrity, and justice in accordance with the living and working philosophy of the SAHA Group’s founder, Dr. Thiam Chokwatana, including being aware of the importance and following the guidelines and risk management regarding anti-corruption

As a result, in 2021, there were no complaints against the Company about corruption, e.g. Bribing for its business interests.

Employees

The company realize to the importance of Human resources and to believe that quality employees are key factor to drive its business towards goals and also create competitive advantages. So, the company systematically and regularly supports both management and human resource development in all levels; moreover, the company also further employees to maximize their capability to create opportunity in career equally for growing together with the success of organization.

Promoting diversity and equal labor practices

The company realizes the importance of human resources and human rights and equality; moreover, we believe that quality employees are the key factor in driving business towards its goals. and create a competitive advantage in business. Therefore, we have provided continuous support for human resource management and development at all levels, as well as encouraging employees to fully use their knowledge and abilities as well as creating equal opportunities for advancement in their work in order to grow along with the success of the organization.

Policies and operation guidelines pertaining to ethics for employees in the business operation are as follows:

1. Treat employees with respect of human dignity and fundamental rights of work as well as not disclose or forward information or confidentiality of employees to external individuals or non-relevant persons.
2. Treat employees under legal framework, rules and regulations in accordance with the operation of the Company.

3. Promote equality in the employment without discrimination of gender, race, nationality, religion, age, disability or no direct related status with operations.
4. Support and promote training, the exchange of knowledge to thoroughly develop competencies of all employees, enhance stability in career and provide opportunities of career path according to individual competency.
5. Encourage the employees to be involved in specifying operational direction and development of the Company
6. Provide fair and appropriate compensation based on knowledge, competency, responsibility and performance
7. Provide appropriate welfare and benefits for the employees
8. Provide communication channels for the employees to suggest or file any complaints about work. The recommendations will be considered and solutions will be identified for the benefits of all parties and build good relations in operations.
9. Provide necessary facilities in performing duties as well as prepare work place by considering safety, occupation health, the environment in operations to promote and enhance quality of life for the employees.
10. Promote coordination among employees in all levels to further social responsibility activities.

Fair treatment towards labor

In order to enhance good quality of life and relationship to the company on basis of fair treatment and mutual respect, the company has determined practice guideline as

Employment Practice Guideline

1. Do not adopt or employ all type of forced labor.
2. Compliance with the law and regulation to protect human rights of individual employee equally.
3. Providing legal employment system with comprehensive employment contract
4. Treat employees with fair employment based on compensation principles that align with employees' performance and effectiveness rather than focus on personal character.

Practice Guideline for Compensation

1. The company shall pay compensation not less than the minimum wage prescribed by law or industry Standard with fairness and do not discriminate on Nationality, Sex, Religion, Gender, but it is considered in accordance with the principle that "equal pay for equal work".
2. The company considers adjustment of fair wage in order to distinguish the difference of performance of individual employee in terms of knowledge, the ability by setting criteria according to performance evaluation procedure of job promotion.
3. Providing a transparent and verifiable reporting system.

Practice Guideline for Labor Relation

1. The Company offers employees the opportunity to participate in the management through the welfare system and other systems, where employees can express their opinions and be participating in decision making.
2. The company follows the law that all employees of each employment contract are entitled to receive their rights.

3. The company does not interrupt, intervene, or doing any acts that affects the exercise the employees' rights without harming the Company's business in proceeding activities of employees that practice following its principles of race, religion, sex, disability, national origin, membership of a political party.
4. The Company provides a complaint system in order to be a medium in building good understanding and relationship as well as fairness in employment.

Practice Guideline for Complaint

1. Employee submits a written or verbal complaint to clarify the details of the complaint and identify the date of the complaint. What was the problem issue?, What was the cause of problem?, Who did it?, Where it happened, How is happened?, How about environmental behavior?, and Purpose of petition by attaching the supporting documents (if any) and sign the name, position, and affiliation then file a petition to the direct supervisor.
2. If the complainant or the employee cannot file a complaint directly to the supervisor for any reason. The employee may file the complaint to a higher level of supervisor or HR manager
3. If the complainant cannot provide information to consider the complaint, it may delegate or appoint an agent to provide information. Nevertheless, there must be an authorized representative who is appointed legally.
4. If there are many complainants file a complaint in the same matter, it is allowed to sign all together in the same letter of complaint.
5. If the complainant is dissatisfied with the results. The complainant can legally file an appeal under Steps 2 and 3

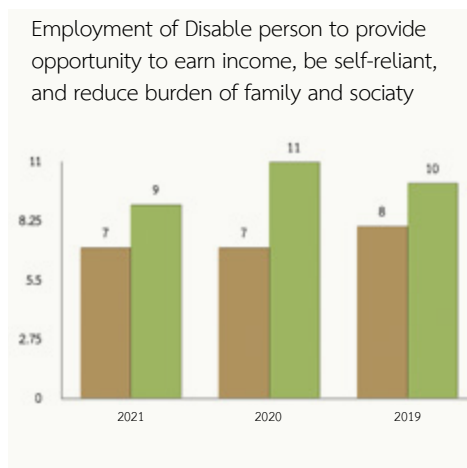
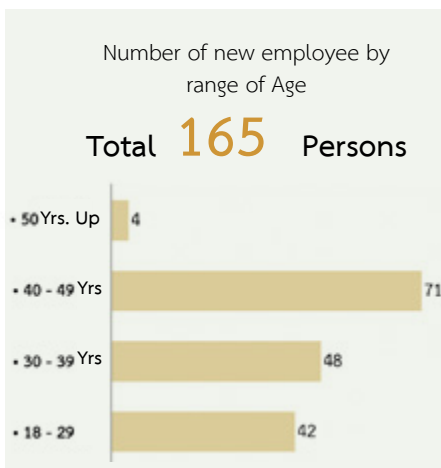
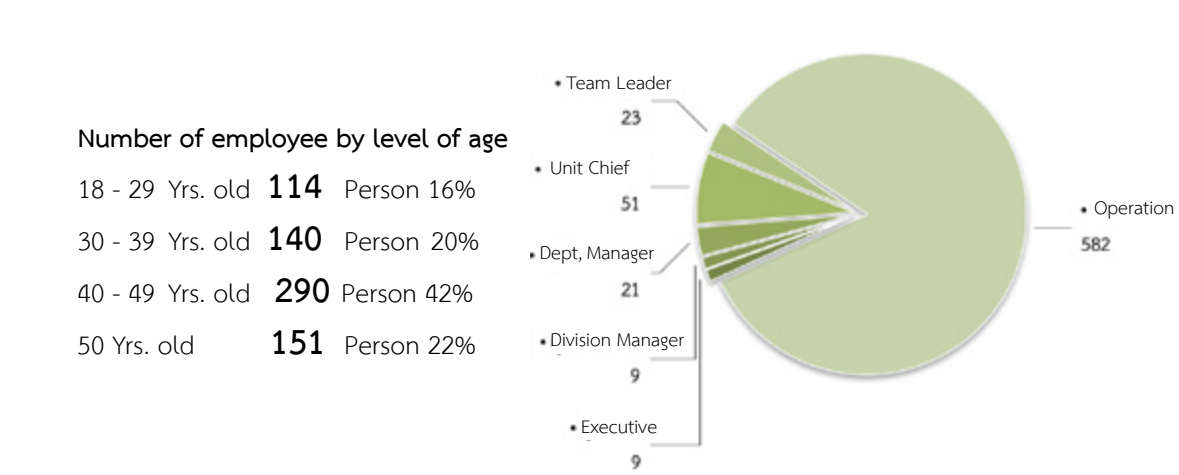
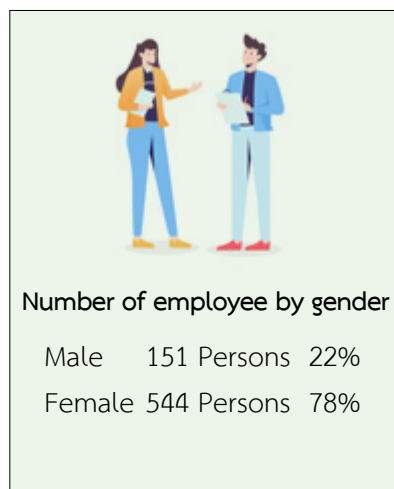
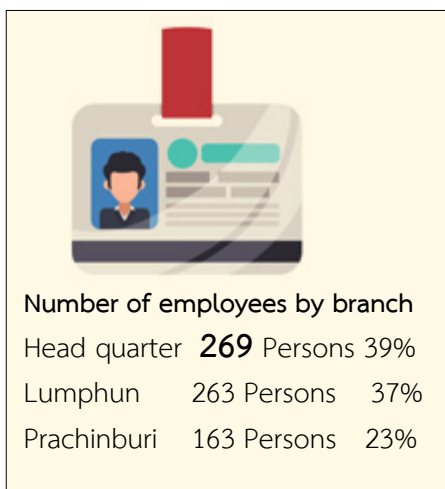
The company is ready to give opportunities for person who have potential and are looking for advancement to join as major force in creating and developing the organization for stable and sustainable growth by realizing the importance of career advancement. Management aims to promote the development of employees' potential to grow alongside the organization in a sustainable manner. Moreover, there is a balance between life and work including considering to give equal opportunities to work

Operations in 2021, No complaints

Recruiting and employment

In this year 2021, the company continues to prepare a manpower ratio plan in accordance with business operations under the instability of economic conditions by giving importance to the allocation of resources in the point to create value-added or it is necessary to continue the investment as well as adjusting the work process to be more efficient. For the recruitment and selection process will begin when there is a new position or vacant position, the Company will consider the appropriate rotation of the current employee firstly. Or, in some positions, current employees who are interested in applying for that position may be given the opportunity to enter the selection process. If there is no one who is interested or suitable for that position The Company will publicize the recruitment of external applicants through various channels in order to obtain candidates with the required qualifications and experience.

All applicants will be treated equally since the selection process entering into the interview until they are hired as an employee, In the case of applicants who are not selected after the interview, the company will notify the result.



The company has given importance to knowledge development and the ability to use the operation for maximum efficiency, including improving the quality of life and welfare of employees through the training process, in 2021 there has been a change in methods and training channels to be in line with the epidemic situation of COVID-19 and government orders to limit the number of people to be grouped all together. The company also adds training through online programs and in some courses there has been a reduction in the number of trainees in each model but increasing the number of class so that the training can still reach the target completely.



Operating performance in 2021

Basic Course

- Mind Map to develop work efficiency
- Energy and Environment Conservation
- Creative communication to increase work efficiency
- Knowledge of Drug
- Work communication (MINI Team Building version: Power of communication)
- Code of Conduct Phillips-Van Heusen (PVH)

Vocational courses

- Sewing process
- Role of company secretary to leverage CG of Anti-corruption
- Webinar "Modern slavery: Tackling the greatest human rights challenge of our time"
- Tax Update for the year 2021
- Updating List of Financial Standards for Non-Public Interests
- Accounting for assets and liabilities valuation.
- Update all issues of tax changes in 2021
- Operations of the department store - Company Limited under the Civil and Commercial Code
- How should an accountant prepare? to meet the Revenue Department
- Financial Reporting Standard No. 16 Lease Agreements
- The role of forensic accountants in the digital world
- TFRS 15 and real estate business
- In depth accounting rules and correct practices
- Employment under labor contracts and work contracts
- Working with a sewing machine for the quality of the work.

Management course

- Work and Well-being during COVID - 19
- How finance leaders are adapting within the new normal
- Prepare to change for sustainability with one report.
- Fraud & Cyber Security, Risk The company addresses the risks associated with fraud and cyber security.
- Management and supervision of employees during the COVID-19 epidemic.
- Sustainability, ESG and a company's reporting (Concept of corporate sustainability and data management for reporting)
- Irg No. 2/5 "The Shareholders' Meeting of Listed Companies via Electronic Media and the Protection of Shareholders' Rights"
- Irg No. 3/5 "Shareholders exercise their right to call a shareholders' meeting according to Section 100 of the Public Act"
- ESG integration in Sustainable
- M&A trends and directions, important issues to consider and strategies for M&A success.
- HCM webinar 4/2564 work and well-being during COVID-19
- Economic update for CFOs
- Business and Human Rights and guidelines for filling out human rights information in the 56-1 One Report form under the Business and Human Rights Project. For the business sector in the Thai capital market (Phase 1)
- Verify readiness before PDPA is effective.
- Productivity enhancement techniques and product quality control.

Occupational Safety and Health Course

- Work safety for general employees.
- Workplace Safety Committee
- Basic firefighting and fire evacuation drills for the year 2021

Average number of training hours by gender

Male (Hour / Person / Year) **ปี 2564 3.47**
 Year 2020 6.78
 Year 2019 7.11

Female (Hour / Person / Year) **Year 2021 5.42**
 Year 2020 4.93
 Year 2019 6.70

Average number of training hours classified by job level

Executive level (Hour / Person / Year)
Year 2021 7.20
 Year 2020 7.09
 Year 2019 10.01

Operation level (Hour/Person / Year)
Year 2021 0.81
 Year 2020 3.67
 Year 2019 17.15

Employee level (Hour/Person/Year)
Year 2021 5.34
 Year 2020 5.44
 Year 2019 7.26

Welfare and other benefits

In 2021, the company continues to focus on organizing activities that support the happiness of the 8 elements at work and for other activities that the company used to organize annually in the form of many people's joint activities. In this year, the company has considered in organizing the activities taking into account the prevention of the corona virus 2019 (COVID-19) epidemic.

The company focuses on organizing various activities for employees who has been involved with companies to create quality of life to carry on tradition and support society.

- | | |
|---|---|
| <div style="border: 2px solid green; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;">1</div> <div style="background-color: #e6f2ff; padding: 10px; margin: 10px auto; width: 300px;"> Happy Body Good Health
 • Muscle stretching activities </div> | <div style="border: 2px solid green; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;">5</div> <div style="background-color: #e6f2ff; padding: 10px; margin: 10px auto; width: 300px;"> Happy Brain Getting
 • Training according to the training program. </div> |
| <div style="border: 2px solid orange; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;">2</div> <div style="background-color: #fff9e6; padding: 10px; margin: 10px auto; width: 300px;"> Happy Heart Kind
 • Blood donation to save lives of fellow humans </div> | <div style="border: 2px solid orange; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;">6</div> <div style="background-color: #fff9e6; padding: 10px; margin: 10px auto; width: 300px;"> Happy Money Peaceful mind
 • Provident fund
 • savings cooperatives </div> |
| <div style="border: 2px solid purple; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;">3</div> <div style="background-color: #e6e6ff; padding: 10px; margin: 10px auto; width: 300px;"> Happy Society Good society
 • Donation of fabric mask activity to help reduce the spread of Covid-19 </div> | <div style="border: 2px solid purple; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;">7</div> <div style="background-color: #e6e6ff; padding: 10px; margin: 10px auto; width: 300px;"> Happy Family Good family
 • Provide scholarships to employees' children and daughters. </div> |
| <div style="border: 2px solid teal; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;">4</div> <div style="background-color: #e6f2ff; padding: 10px; margin: 10px auto; width: 300px;"> Happy Relax Relaxation
 • Sports, fun and team building activities </div> | <div style="border: 2px solid teal; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;">8</div> <div style="background-color: #e6f2ff; padding: 10px; margin: 10px auto; width: 300px;"> Happy Soul Peaceful mind
 • Donating alms to monks on an important day </div> |





Activities to carry on tradition to encourage employees to carry on and preserve Thai traditions



Social support activities:

Blood donation continuously every year



Donate cloth masks to government sections and hospitals



Donation drinking water to hospitals and field hospitals to take care of COVID-19 patients in Lamphun Province, In the event of "Occupational Safety and Health Day 2021" at Lamphun Hospital

Management in the area of Occupational Safety, Health and Environment

The Company attaches importance to safety management by defining a clear and concrete policy on safety. There is also the Occupational Safety, Health and Environment Committee (SHE Committee) as the representative of employees to give suggestions measures or guidelines to improve the legality and safety standards for work safety of both employees, contractors, and outsiders who come to contact the company, so the company implements as following:

Occupational Safety, Health and Environment committees

Branch	Legal Stipulations		Arrangement by the company			
	No. of Employees	No. of Committee Member	No. of Employees	No. of Committee Member		
				Male	Female	Total
Headquarter	100-500 Persons	7	269	7	4	11
Lumphun	100-500 Persons	7	263	5	6	11
Kabinburi	100-500 Persons	7	163	6	5	11
Total			699	18	15	33
Compared Percentage (%)				55	45	100

Occupational Safety, Health and Environment Teams

Safety Officers	Headquarters No. of Team Members			Lamphun No. of Team Members			Kabinburi No. of Team Members			Total No. of Team Members		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
1. Executive Level	10	10	20	1	1	2	2	0	2	13	11	24
2. Supervisor Level	8	36	44	3	10	13	2	7	9	13	53	66
3. OSHE professionals	0	1	1	1	0	1	0	1	1	1	2	3
Total	18	47	65	5	11	16	4	8	12	27	66	93
Compared Percentage (%)	28	72	100	31	69	100	33	67	100	29	71	100

In 2021, the Company continuously develops and improves the efficiency of its safety operations in order to reduce the risk of illness, injury or death and take proper care of the quality of life of employees with the following important operations

Compliance with safety and environmental laws

The Company attaches importance to strictly compliance with safety and environmental laws by giving as a guideline through its policy on occupational safety, health and environment. In respect of environmental policy, there is monitoring to ensure compliance with provision, regulation, and safety standard related to business operation. In 2021, there was no violation of both regulations and laws related to safety and environment.

Personnel development for the awareness of safety and health

The company instills safety awareness among employees at all levels through the supervision at the policy such as basic firefighting training and rehearsing for earthquake plans, First aid and moving the injured patient, safe driving training and etc. There is a continuous operation every year under strict measures to prevent the spread of the coronavirus disease 2019 (COVID-19).



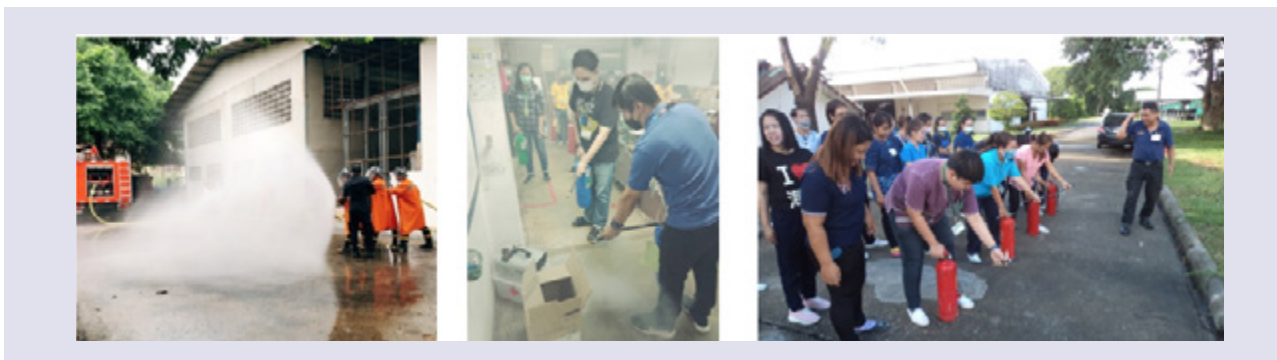
Regulatory Compliance Management of Chemicals

The Company has ensured that chemicals are used strictly in accordance with legal requirements and regulation related to chemicals for prevention of health hazards to operating employees and to reduce environmental impacts which details are as follow:-

- Reduced the use of hazardous chemical by selection, purchasing, and using replacement chemical that safe to health and sanitation and less impact to environment.
- Supporting to monitor safety use of chemicals by storage controlling, elimination, also providing appropriately and adequate personal protective equipment.
- Provide safety equipment to control spill or leakage of chemicals to prevent the impact on the environment appropriately and effectively.
- Annually provide hands-on Emergency Response Training Courses in case of chemical spills.
- Organize chemical management service assessments through review, monitoring, improvement and development of chemical management to comply with the law and regulations of chemicals continuously.

Emergency Drills and Disaster Preparedness Training

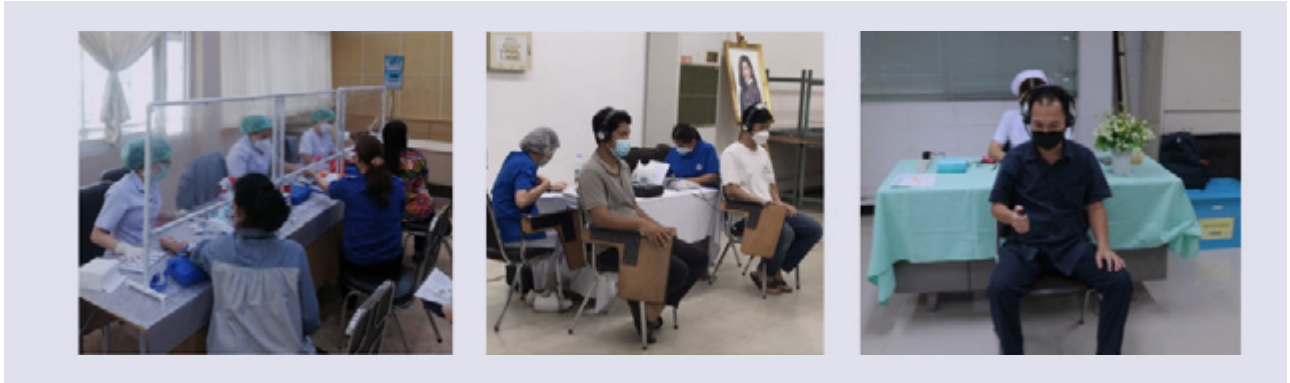
The Company attaches importance to preparedness and response for emergency situations and readiness for efficient handling with disasters. It has prepared emergency response plan to lay down guidelines and procedures for timely suppression. There are 3 plans altogether, i.e. preparedness and response for emergency situations in case of fire, chemical and oil spills, and boiler leakage or explosion. There is regular training and knowledge review for employees and fire evacuation drills once a year for safety in order to reduce the loss of life and property of employees and the company as well as to build trust among stakeholders in the organization and nearby communities.



Occupational Health and Health Promotion

The Company recognizes and values the promotion and taking care of employees by providing evaluation Ergonomics risk factors for all types of work which focusing on prevention of work-related diseases and problems from improper posture through activities such as training of correct method for lifting heavy loads,. Stretching the muscles to reduce fatigue from work which is continually held for 14th consecutive year.

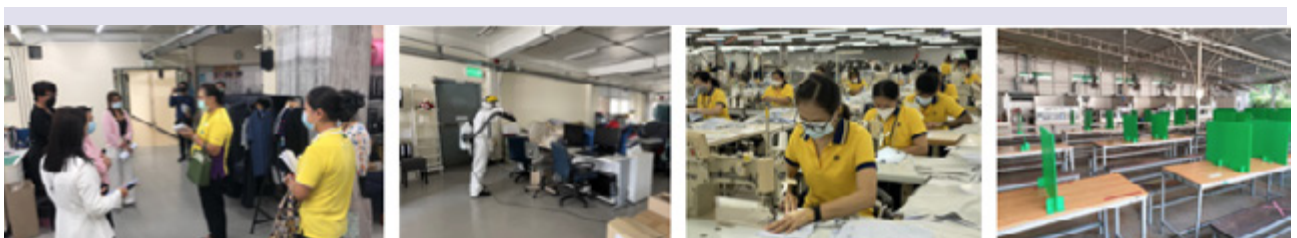
In 2021, there will be annual health check-up and health checks-up based on risk factors such as hearing performance, Pulmonary function and chemicals which health checks-up is according to risk factors, it was found that all the examination results were normal.



Environmental Health Management to Prevent the 2019 Coronavirus Disease (COVID-19) Outbreak

In 2021, there is a continuous outbreak of coronavirus disease 2019 (COVID-19). The company has management of Environmental health, focusing on management to prevent the body infected by germs, which they are managed through the following channels:

1. Executives and all employees wear a mask or fabric mask at all times.
2. Providing temperature check point for executives, employees, customers or visitors. before entering the building
3. Providing alcohol spray tunnel and a hand washing point with soap or alcohol gel or disinfectant.
4. Maintaining cleanliness of buildings, equipment, objects and utensils in order not to be a source of spreading pathogens as follows:
 - Cleaning the surrounding area, equipment, appliances and common areas, especially around the door knob handrails, Information points, light switches, elevator buttons, by cleaning with a cleaning solution or disinfectant such as 70% alcohol, chlorine-containing disinfectant, etc.
 - Provide proper indoor ventilation system and clean ventilation system regularly.
5. Provide cleaning equipment and other equipment to prevent the spread of germs.
 - Alcohol hand sanitizers are located in common areas such as entrance doors, operator points, meeting rooms, canteens, etc.
6. Keep the washing sinks and toilets to be clean and provide adequate hand soap.
 - Safety departments provide the advice on procurement of promotional materials on prevention and reduction of the risk of spreading COVID-19 for employees, such as how to identify suspected COVID-19 cases, advice on how to wash the hands properly, the use of masks, and etc.
7. Regarding Canteen, Employees must wear masks when entering the canteen area. Line up and keep a distance while buying for food before going to sit at a seat that has a partition specific 1 person for 1 lock.

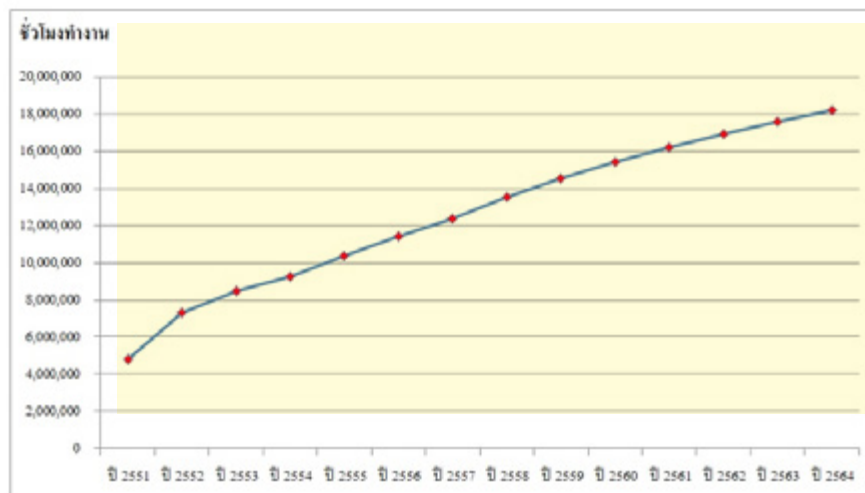


Working environment

The company monitors the working environment, such as light, noise, heat, dust, the amount of chemical concentration in the working area, air quality from the stack emission to monitor and control environmental quality in the work area not to exceed the legal standard. This is to prevent disease from working for employees including reducing the impact on the environment and nearby communities.



Platinum level for the 6th consecutive years, there was no accidents from work that resulted in continuous absence of 18,218,864 working hours in the “Zero Accident Campaign to Reduce Statistics from Work. For the year 2021 The company received an honor award for outstanding safety model establishment on Occupational Health and Work Environment for 2021 at National Level (Diamond Level) from the Ministry of Labor for the 7th consecutive year.



Outstanding Award for Establishment of a Business Model Safety of Occupational Health and Work Environment 2021 National Level (Diamond Level) for the 7th consecutive year

Notification of Clues / Complaints and Measures to Protect Complainant

The company has organized a process to deal with complaints that employees complain that it may be illegal manner. It is determined as policy and guidelines for protecting employees or whistleblower that expose illegal manner which is listed in the “Code of Conduct for Directors, Executives and Employees”

The Board of Directors gives employees and stakeholders the opportunity to report their clues or complaint when they found a manner that may be illegal or corruption of employees in the company, including the behavior that may be a problem and cause damage to the company. Moreover, it includes receiving complaints if employees and stakeholders are violated their rights or they got unfair manner through the channels and processes defined by the company.

The company will listen and treat all complaints equally, transparent, and fair by setting the measures to protect complainants systematically and fairly. The complainant’s information will be kept confidential.

Protection of complaints

1. The complainant can choose not to reveal himself if the disclosure would cause insecurity or damage.
2. The Company will keep the relevant information confidential and take into account the safety of the complainant by providing measures to protect complaints who are employee including coordination in investigation of the fact. Those persons will be protected from unfair practices due to the cause of the complaint, such as disturbing the operation, rotate job position, termination of employment contract, and etc

(For more details of Channel for complaint is expressed in the topic “Corporate Good Governance section 3: Roles of stakeholders” and disclosure on company’s website www.pg.co.th under topic “Corporate Good Governance”

Human Rights

The Company supports and respects human rights by operating business based on human rights law which is clearly announced to be a policy that is under the scope of Company Authority and it will not be involved with any action which is contrary to human rights principles.

Respect of Human Rights

The Company operates its business with respect to laws of pertaining human rights by declaring clear policies in accordance with international standards, WRAP (Worldwide Responsible Accredited Production) and standards of Thai labor (TLS 8001 - 2553) with regards to nondiscrimination, race, nationality, ethic, color, religion, language, sexual orientation, disability as factors in making consideration of , and decision for, employment. The employees show their willingness to work, no child labor, respect the rights and freedom of employees. In the meantime the Company recognizes the importance of skills and capability development for

employees as well as providing the opportunities for all employees to learn. In case the employees do not receive justice, there are channels to submit their claims or any evidence of possible illegal actions including recommendations, systematic and fair prevention measures for the requester and it is published in electronics system of the organization (Intranet).

The Company also cooperated with customers in conducting business according to the Code of Conduct of the customers to take care of all stakeholders. Therefore, the policy of PVH corp. has been signed as follows:

- | | |
|----------------------------------|-------------------------------------|
| 1. Labor Relations Policy | 6. Freedom of association policy |
| 2. Non-Discrimination Policy | 7. Health and Safety Policy |
| 3. Threats and Harassment Policy | 8. Compensation and Benefits Policy |
| 4. Labor Force Policy | 9. Working Hours Policy |
| 5. Child Labor Policy | 10. Environmental Policy |

Protecting and respecting employee privacy

The company respects the privacy of employees by protecting and not to disclose personal information such as salary, family history Medical history, etc. to outsiders or irrelevant persons; unless the information is disclosed to a third party in accordance with the provisions of the law.

Community and Social Care

Regard to the care of the company's staffs, it is also included encouraging staff to have a good spirit, sharing benefits and happiness with others, together with be ready to give good value to return to community and society. The company also provide volunteer to participate in various useful activities held by its company and / or its employees which contributes to the community and society.

3.3 Sustainability Management in view of Environmental Dimensions

Climate change is a problem that harms humans and the eco system. The company is aware of this matter because the company is a part of society and the environment that rely on natural resources and use of energy for business operation. Therefore, the effects of climate change affecting the operations; as a result, the company continuously develops environmental management by establishing the Energy and Environmental Conservation Committee to drive the company's environmental work. Moreover, the company establishes energy and environmental management policies to be used as a guideline for operations throughout the organization and to comply with the international standard system ISO 9001: 2015 and ISO 14001: 2015.

The company campaigns to raise awareness of reducing greenhouse gas emissions and reducing the use of natural resources such as electricity, water, waste segregation and fuel use to create management capacity for reducing environmental impact to be most effective.

This ensures that the company's environmental management can comply with the environmental management standards ISO 14001, so there is no violation of environmental requirements or regulatin and even any disputes related to the environment.

Energy and Environment Management Policies

People's Garment Public Company Limited is committed to systematically managing energy and environment conservation policies according to the energy conservation and environmental management which are subject to regulation of the law, which are the following guidelines

1. Commitment to comply with the law and important regulations related to energy and environmental conservation of the organization.
2. Create organizational culture and awareness among employees at all levels to build cooperation

and responsibility in managing energy and environment.

3. Promote energy and environmental conservation management by focusing the energy and environment impacts in every production process, initially from product design process, production, sales, usage, and waste management including sustainable and worthwhile use of resources
4. Promote energy and environmental conservation activities by allowing all activities of the company are set to improve and develop the efficient use of energy and natural resources in order to reduce the impact on climate change and ecosystems.
5. Promote energy and environmental conservation management systems, since to save the use of resources by applying the 5R principle (Reduce Reuse Recycle Repair Reject), reduce of resources used together with focusing on reuse and repair. In addition, avoiding unnecessary use and trying to promote treatment and rehabilitation, replacement, constant observation and prevention. This is to maintain the natural ecosystem and well-being of everyone.
6. Promote continuous development in the management of energy conservation and the environment by implementing development and monitoring of energy and environment to comply with energy and environmental regulations and requirements

Effective resource management and environment friendliness

The company continuously manages and controls the use of energy in its offices and factories and still focus on reducing energy consumption to achieve energy efficiency by managing the use of the working area appropriately, efficient maintenance of electrical appliances and electrical equipment for the use of air conditioning systems ventilation system, lighting system, thermal energy system, compressed air system, machinery, electrical appliances Solar cell system, water system to be effective for use.

Currently, the company has the system to controls energy consumption, controlling and regulating the use of energy in the operation to meet the energy conservation policy by the energy conservation team to control check and coordinate the energy consumption within the company by preparing reports of energy consumption of various agencies Using a computer system to control the use of electric energy with the “ENERGY MANAGEMENT CONTROL SYSTEM” system in every branch. As a result, they can control and decide to solve problems, efficient use of energy to be able to control energy consumption very well, use and manage the following systems management:-

1. 1. Solar cell system

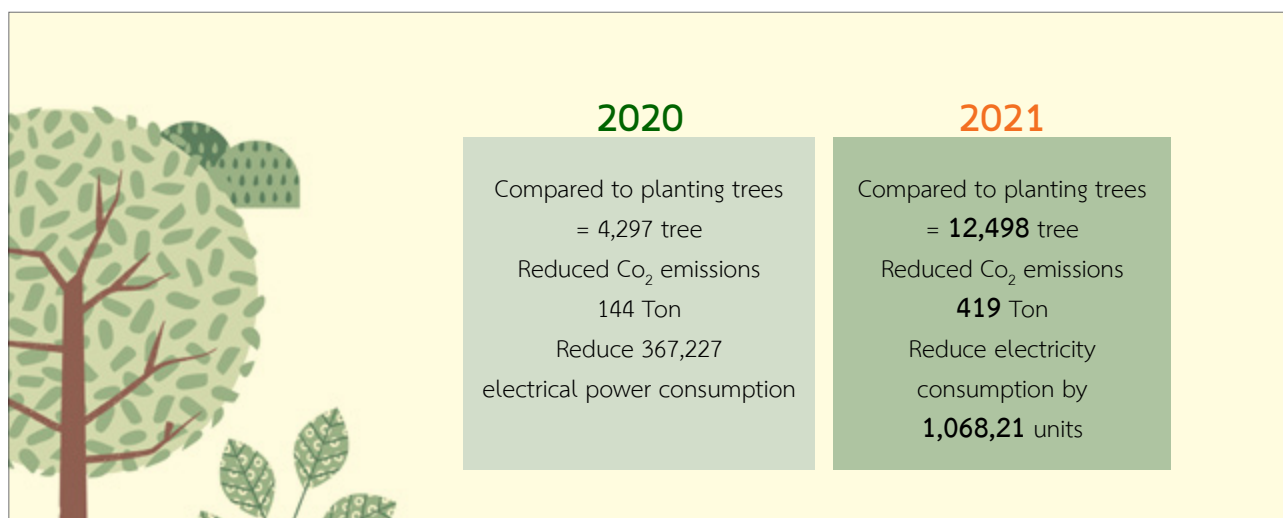
The company installed a solar power generation system to replace the use of electric energy by installing a solar power generation system of 466 Kw at the Lamphun branch, this resulted in a reduction of 1,068,219 units of electrical energy per year and a reduction of 419 ton Co2 carbon dioxide, equivalent to planting 12,498 trees.

The company installed a solar power generation system to replace the use of electricity. By 2020, a 466 Kw solar power generation system was installed at the Lamphun branch plant.

In addition, in 2021, expanding the installation of the second solar power generation system with a size of 380 Kw at the Kabin Buri branch plant, resulting in the reduction of electricity consumption by 1,068,219 units and the reduction of carbon dioxide emissions of 419 TonCo2, which is comparable to planting a number of trees 12,498 trees.



Photo of the 2nd solar power generation system; size 380 Kw, at Prachinburi branch factory



2. Chillers air conditioning system

The company installed chillers air conditioning systems which has high cooling efficiency and save electricity (EER = 11.05), and regularly check and maintain the air conditioning system. As a result, 1,123,200 units of electricity can be reduced and CO₂ emissions are reduced by 701 TonCo₂, which is comparable to planting 13,141 trees.



To make the air conditioning system have high cooling efficiency all the time and save energy, therefore there is setting up an air conditioner cleaning plan in condenser tubes Cooling tower system as follows:-

1. Clean air conditioner dust filter in the office section 2 times a month and production line or factories 8 times a week
2. Clean the air conditioner coil 1 time per month.
3. Clean the air conditioner regularly every 6 months.
4. Make a big cleaning with an annual check once a year.

3. Evaporative Cooling System (EVAP)

The company installed an Evaporative Cooling System or EVAP instead of an air condition system (Air Condition) in an appropriate area. in both the character of the work and the character of the building area and also reduce the P.M. 2.5 dust value as well The EVAP system is both an air cooling and ventilation system that can reduce the temperature inside the work area by 3-5 degrees Celsius from the outside climate and at the same time it is a ventilation system causing the indoor to have new cool air circulating in along with the old ventilation to the outside of the building Helps reduce the amount of dust in the area and also effectively reduce the dust value of P.M. 2.5. There is more cooling from the wind that blows through the body all the time (Wind-chill Effect), which creates a good atmosphere for the employees of the organization when working. In addition, if comparing the air conditioning system with the EVAP system, it can save electricity up to 80 percent when compared with the air conditioner which can reduce the consumption of electrical energy As a result; it can reduce electricity consumption by 3,780,750 units and reduce carbon dioxide emissions by 2,359 TonCo₂, which is comparable to planting 44,235 trees. It reduces the cost of maintenance, and also friendly to the environment as it is free from refrigerants (CFCs), it does not create a greenhouse effect in the atmosphere that causes global warming.

4. Boiler Bio-Mass Thermal Power System

The Lamphun branch uses the Boiler Bio-Mass system to produce heat energy for the boiler system. The Boiler Bio-Mass system uses chip wood as fuel instead of oil fuel which besides being friendly to the environment, it can also reduce air pollution from fumes caused by combustion. Bio-Mass system is a sulfur dioxide-free chopped wood burning; therefore, it does not damage the health of employees and communities nearby the factory.

It also reduces fuel costs. This reduces the cost of production of the company's products. The company has proceeded to dispose of the ashes and ashes legally, and in accordance with ISO 14001 system standard and in the process of condensing the steam that has been used in the condensate production process that still has the remaining heat temperature by bringing the said steam back into use to feed the boiler water. As a result, the water temperature rises, saving fuel and producing faster steam. Condensate recirculation is used in the system to increase the boiler feed water to a temperature of about 80 - 90 C from the normal 25 ; as a result, it increase the boiler efficiency by 6 - 8%, resulting in reduced consumption. Fuel energy can be reduced by 6 - 8% with reduced steam activation stroke, then it will turn off the large boiler, and switch to a small boiler instead to control the use of heat energy efficiently Reduce the loss of steam energy.



Fuel efficiency control

1. Set up a maintenance plan, clean the furnace, combustion chamber, and chimney every 3 months to reduce the residue of ash from burning fuels which affects heat transfer.
2. Establish measures for cleaning the heat transfer area of the boiler during shut-down for maintenance every 1 year.

5. Compressed air system

The company installed the rotary air compressor with high efficiency in air production; the compressed air will have a uniform flow rate from the original pumped air compressor. The analysis can increase the efficiency of changing equipment or systems (Major Change Equipment) focusing on machine modifications, various devices to increase efficiency, low electricity consumption and modern. As a result, 77,094 units of electricity can be reduced and CO₂ emissions are reduced by 48 TonCo₂, which is comparable to planting 902 trees.



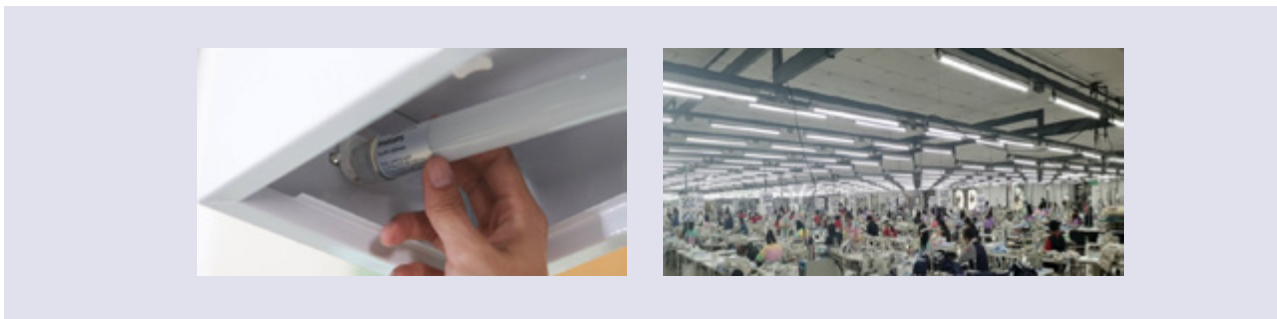
6. Machine

Modify machinery and equipment to increase production efficiency by choosing a machine that has the potential and save energy from a conventional motorized sewing machine which modified to a high efficiency motor. This results in a reduction of 1,050,000 units of electricity and 655 TonCo₂ of carbon emissions, which is comparable to planting 12,285 trees.



7. Lighting system

Change indoor and outdoor lighting to LED bulbs throughout the company and branches by choosing No. 5 LED bulbs that have been certified by the Electricity Authority which has high efficiency and have a harmonic value not exceeding the industry standard which allows for high energy savings and safe for employees due to none of UV rays that damage the skin and eyes. As a result, 1,301,985 units of electricity can be reduced and CO2 emissions are reduced by 812 TonCo2, which is comparable to planting 15,233 trees.



8. Water quality management

The company manages the efficient use of water by choosing to use water-saving sanitary ware, and modify the use of aerated water tap to reduce water consumption circulate wastewater from the RO drinking water production system to be used for consumption. and bring the wastewater generated from the production process into the natural wastewater treatment process (Natural Treatment). This is based on a natural principle of reducing contaminants in the water without using chemicals (Non-chemical) in the process of wastewater treatment. Therefore, it does not affect the environment. It also can maintain the balance of eco systems and environments. The treated water can be recycled back to water the plants which is sustainable water management.



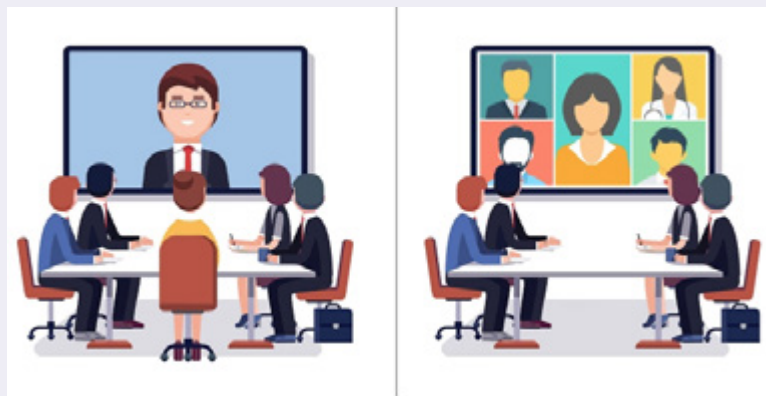
9. Air Conditioning Management

The Company places great emphasis on air quality management because it realizes that air pollution affects climate change by reducing and controlling the waste generated from the production process to prevent pollution and reduce the impact on the environment. The company uses chopped wood fuel to produce steam for the production process, which is a natural raw material and The quality of the air emitted from the boiler flue (Boiler) was measured, dust, sulfur dioxide (Sulfur dioxide: SO₂), Nitrogen dioxide (NO_x), Carbon monoxide (CO). Annually To control the air quality so that it does not affect the environment and surrounding communities.

List of Measure	Unit	Result	Standard value	Standard of Compare
Total Suspended Particulate	mg/m ³	16.21	≤320	Passed
Sulfur dioxide	Ppm	12.41	≤60	Passed
Oxide of Nitrogen	Ppm	178.11	≤200	Passed
Carbon monoxide	Ppm	167.55	≤690	Passed
Opacity	%	5.00	10	Passed

10. Teleconference system with Video Conference

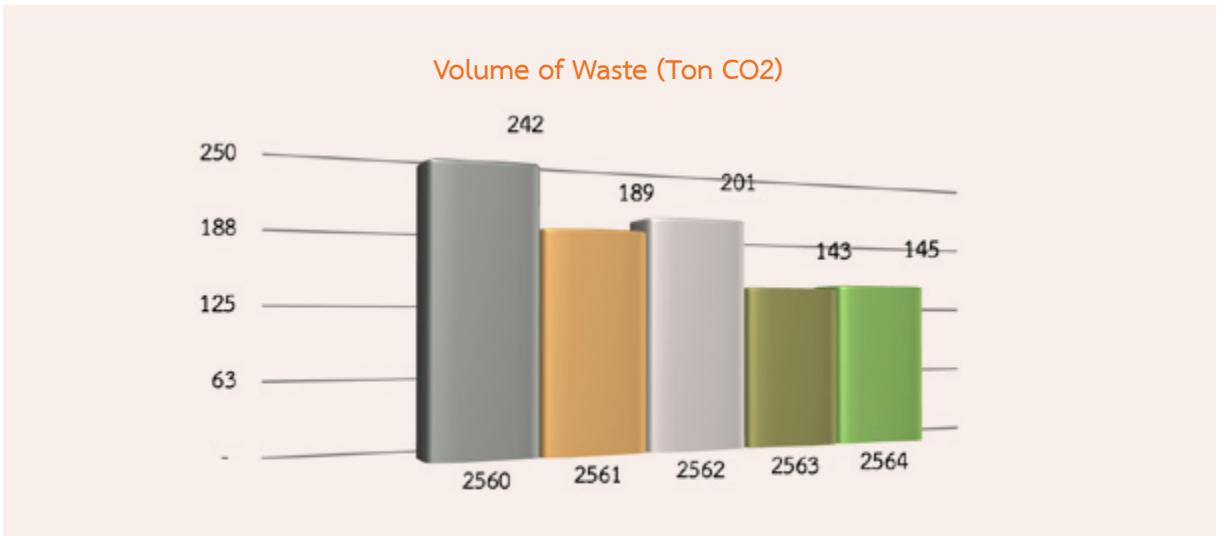
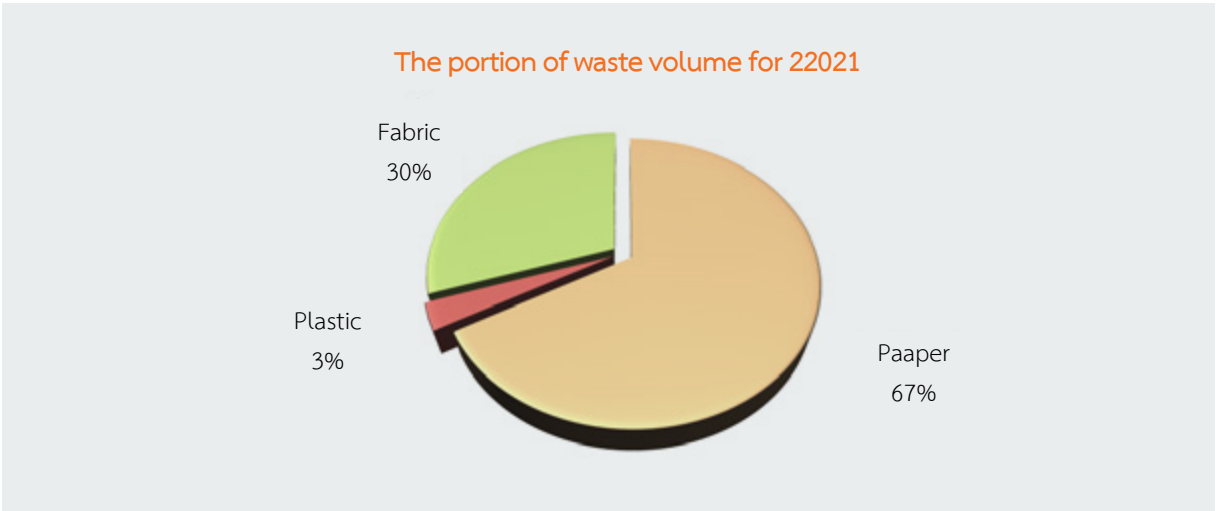
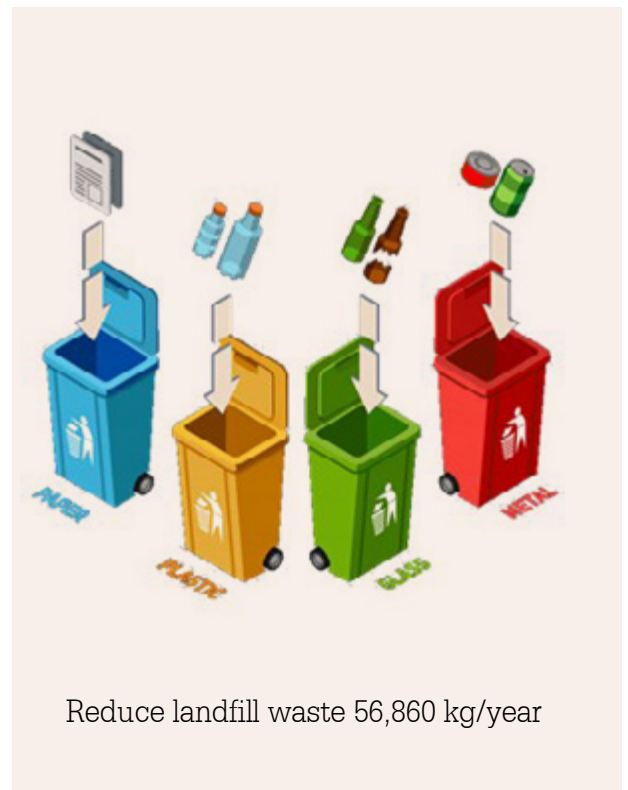
Video Conference system, including other types of communication tools such as MS Zoom , MS Team, and etc. This helps to reduce wasted time and travel risks. It also reduces the risk of an epidemic of Covid-19 as well. It is the realization of the cost-effective use of energy resources. It is also another way to reduce your carbon footprint.



11. Waste management

The company strictly manages the waste that arises from production processes in compliance with the law; moreover, the company uses the 5R waste disposal principle, including (Reduce);- reducing or using as little as necessary, (Reuse);- the action of using something again, (Repair);- repairs and fixes them to be able to continue to use, (Reject):-to avoid the use of things that causes pollution, (Recycle) :- the processing to reuse something. This is to have the circulation and use of resources to be highest efficiency, the company divides waste into 4 categories: general waste, compostable waste, recycled waste and hazardous waste.

The company has general waste management, Recyclable waste and Degradable waste in accordance with the law of the Ministry of Industry and environmental management system standard ISO 14001: 2015, where disposal procedures are established, from waste segregation, storage and inspection to be ready for transportation and select a waste disposal contractor that is legally licensed



Energy and environmental development

The Company realizes the importance of campaigning to cultivate good conscience for executives and employees in their participation in environmental preservation by the Energy and Environment Conservation Committee Communicate and encourage all employees to participate in reducing energy consumption according to the company's energy and environmental management policy.

Moreover, this is along with creating awareness from the determination of the committee that supports the development of organizations and personnel at all levels to have knowledge, ability, and potential in energy conservation as a person who is valuable to society by providing support and promoting training to bring knowledge to pass on to fellow employees to further development from work operations at work to family and society

With an emphasis on providing knowledge on how to use energy to benefit the most cultivate a shared awareness of energy saving for sustainable energy conservation permanently towards achieving energy goals.

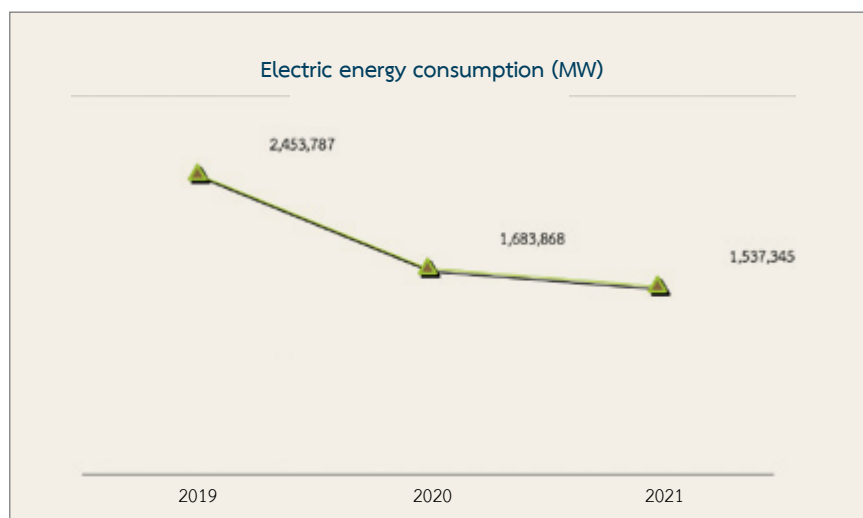
The company was certified for Green Industry Level 4, Green Culture from the Ministry of Industry, creating a continuous development in environmental management.



The overview of Energy management operations

In 2021, the company used electricity a total of 1,537,345 units, equivalent to the amount of carbon dioxide emitted into the atmosphere equal to 959 TonCO₂, a decrease from 2020 by 146,522 units or 9%

The company attaches great importance to taking care of the environment and join to reduce global warming by adding green areas to absorb CO₂ gas and restore balance to the environment in 2021 due to the Covid-19 virus epidemic, the company has suspended reforestation activities. "Reforestation Project of The National Forest Reserve. The total number of trees planted since 2012 is 4,800, the amount of carbon oxide absorbed per year is 15 TonCO₂ and the cumulative amount until 2021 is 150 TonCO₂, which in other word; it is another benefit to reduce the temperature from global warming.



Green procurement operations

The company develops a procurement process that takes into account the environmental impact to support the provision of environmentally friendly products by supporting partners who care for the environment which apart from considering the suitability of quality, price, delivery of the product and services as specified. The company also considering environmentally friendly production as well; moreover, the company focuses on social responsibility to be a business partner that operates business according to the law, rules, regulations, labor laws, and Safety law, to treat employees with integrity and respect human rights

Environmental and good environment

Besides, organizing the environmental management system within the factory, the company also attaches great importance to the conservation and stewardship of the environment of the community and society as follows:

“Reforestation Project The Tha Rit Forest, Lam Thong Lang Forest, and Lamphaya Klang Forest, Block 2 (2010), Saraburi Province, in accordance with the Permanent Reforestation Project in the honor of His Majesty On the occasion of his 50th reign.”

“PG Volunteer to protect the forest to reduce Global Warming” which has joined in the spirit of the Permanent Reforestation Project in honor of His Majesty On the occasion of his 50th reign in the reforestation project The Tha Rit Forest, Lam Thong Lang Forest and Lampaya Klang Forest, Block 2 (2010), Saraburi Province, which has an area of approximately 12,500 Rai or about 200 square kilometers to restore the forest to the Pa Sak River Basin, which is one of the main raw water sources of the people in the central region, it was originally a dry evergreen forest, limestone mountain and degraded mixed forest. Declared as a national reserved forest in 1982

The area that is a deteriorated forest, according to the Company’s project, it will be planted continuously for 10 years, with the forestry officials to maintain the trees, including replanting the dead trees by starting only this project from 2012 to present for the 10th consecutive year, shown in the table of trees and CO₂ as follow

The table shows the number of trees planted and the amount of recovered CO₂

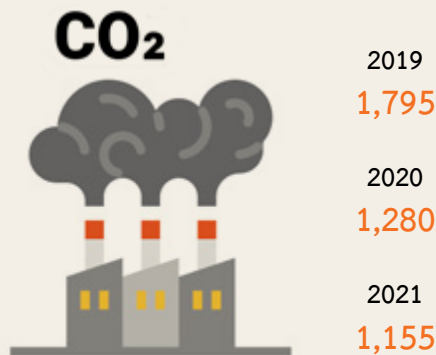
Year	Size of Area (accumulative) (Rai)	Number of Tree (accumulative) (Tree)	CO ₂ Kilogram / Year	CO ₂ Ton Carbon / Year	Accumulative CO ₂ Ton Carbon/ Year
2012	3	600	15,000	15	15
2013	6	1,200	30,000	30	45
2014	9	1,800	45,000	45	90
2015	12	2,400	60,000	60	150
2016	15	3,000	75,000	75	225
2017	18	3,600	90,000	90	315
2018	21	4,200	105,000	105	420
2019	24	4,800	120,000	120	540
2020 *	24	4,800	120,000	120	660
2021*	24	4,800	120,000	120	780

* The company has not organized the forest plating activities due to the epidemic situation of the new coronavirus 2019 (Covid-19), Therefore, it is equivalent to the year 2019, which can still absorb carbon dioxide as shown in the amount of re-absorption from the accumulated year 2021.

The overview of Environmental performance

In 2021, the company emits carbon dioxide from business operations 1,155 TonCO₂, compared to the year 2020, a decrease of 125 TonCO₂, or 10.00% in order to take care of the environment and join to reduce global warming restoring the weather. The company has carried out various activities in order to reduce the environmental impact throughout 2021, the carbon dioxide absorption rate can be calculated as 145 TonCO₂, so the remaining carbon dioxide emission ratio is 1,010 TonCO₂

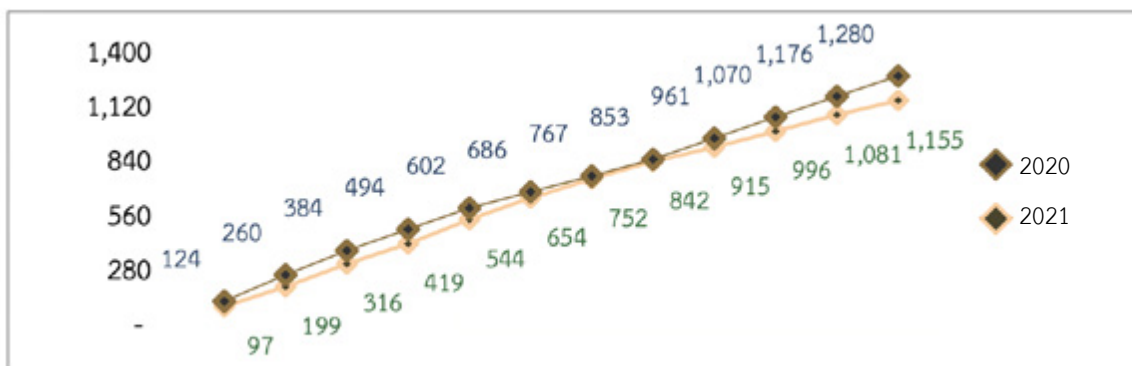
The amount of CO₂ released into the atmosphere
(Ton CO₂)



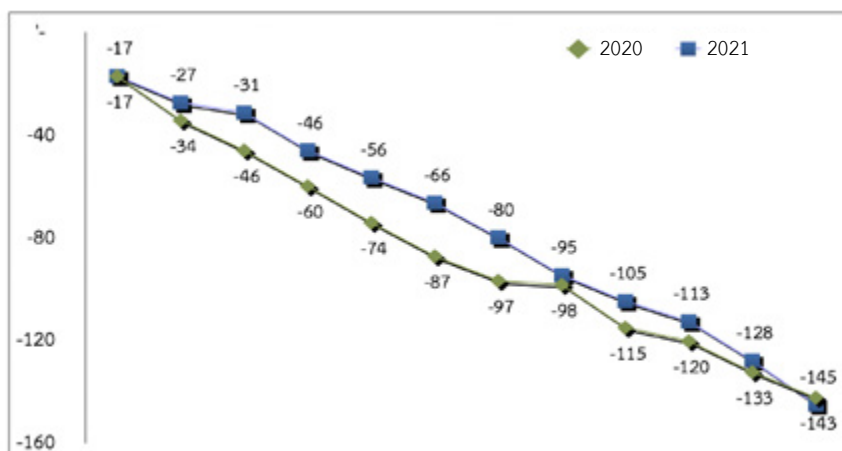
The amount of compensated CO₂ returned to
the atmosphere (Ton CO₂)



Comparison of accumulated carbon dioxide emissions (Ton CO₂)



Comparison of accumulated carbon dioxide emissions compensation (Ton CO₂)



3.4 Sustainability Management in view of Social

Social Policy and Practice

The company realizes stable and sustainable business growth under the framework of operation by adhering to the principles of good corporate governance, giving respect human rights as a basis and covers the treatment of all groups of stakeholders thoroughly. The company also focus on running a business that contributes to society grow together can meet the real needs of consumers and keeping pace with changes in social and economic contexts

Respect to human rights

The Company conducts business with respect to the law in accordance with human rights principles by clearly publishing a “Non-discrimination Policy”. Therefore, in employment regardless of their origin, nationality, race, ethnicity, color, religion, language, gender orientation, gender identity, or gender identity Disability is not a factor in employment consideration and judgment, including also announcing “Child Labor Control Policy” by not employing child labor under the age of 15 The Company has promoted and created the understanding of human rights for personnel by disseminating the said policy on the Intranet system, including in the event that employees are not treated with justice in various matters. There are channels that can be filed with complaints or whistle-blowing about what may be an illegal act, along with a remedial process and systematic and measures to protect whistleblower systematically and fairly.

The company has adjusted the form of employment for employees. In the job announcement, gender is not specified. (Except for the position where it is necessary) including the job application form. There is no limit to the choice of male or female information. If the applicant does not want to clearly specify the gender, it is acceptable. The Company does not discriminate or discriminate against applicants regardless of gender or status and treat each other with equality. It also supports the exercise of employees’ rights and freedoms to express their opinions and propose guidelines for providing benefits that are beneficial to employees through the establishment of a welfare committee in the workplace.

Safety Occupational Health and Work Environment

The company realizes that operating safety Occupational Health and Environment. It is an important basis for doing business by announcing the “Security Policy Occupational health and working environment” clearly, enabling employees to work safely. The community surrounding the establishment is confident that it can coexist with the company’s establishment safely, as well as consumers are confident in the safety of the company’s products which is an important factor that the company can operate the business according to the strategy for continued business growth. Occupational health and working environment are in section 3.2)

Innovation from Responsible Business Operations

The company promotes development of innovation to develop competence in the work process as well as supporting studies and researches that are beneficial and create value for businesses, communities, society and the environment continuously.

The company has given importance to research and development of textile and apparel products by bringing knowledge Expertise derived from business experience come to develop, apply and innovate to create business innovations that continuously take into account social and environmental impacts. Moreover, it is ready to increase competitiveness and added business value at the same time.

As recognizing the importance of developing innovations in the company’s products Therefore,

the company has set up a team that is specialized in research and development of textile and apparel products especially. This is to further develop products and create added value for the company's products. In addition, the company has received cooperation and support from both government agencies and the private sector continuously.

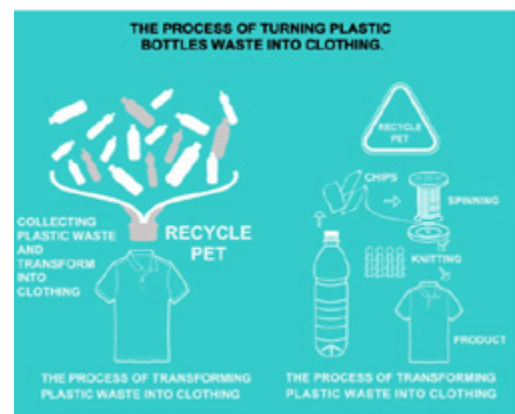
The company is committed to create innovation in its products to become valuable products. The key component is environmental friendliness and safe for consumers and environmentally.

Innovation of recycled fabric from PET plastic bottles

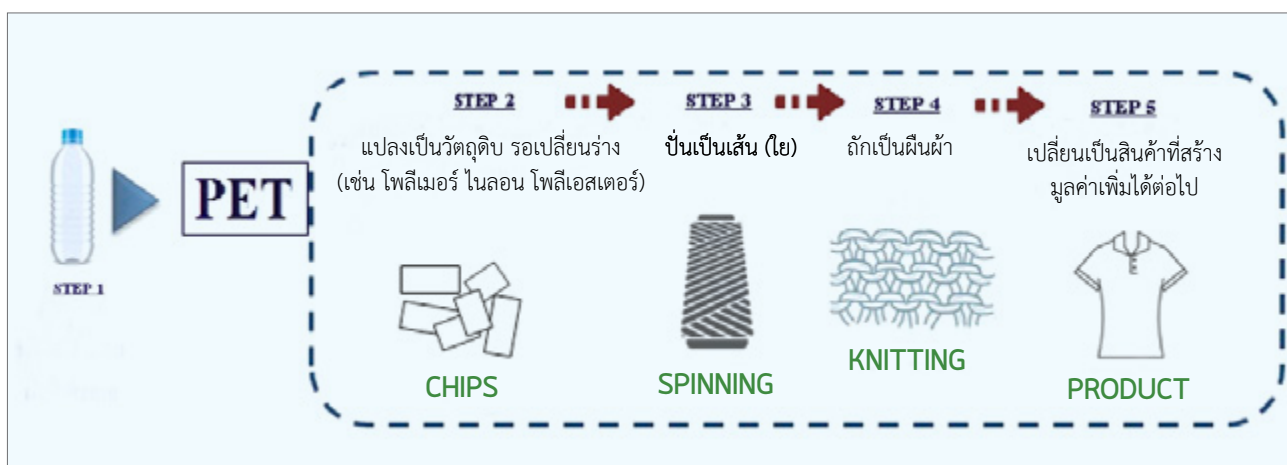
The company has developed I-FLEX V.2 fabric raw materials from 96% recycled polyester fibers, mixed with 4% spandex for making suit and trousers products. The fabric has 360-degree flexibility (more flexibility) allowing the wearer to be able to move the body freely. The special fabric is easy care, It does not crease and it can be easily ironed as well.

“Up cycling” Changing of PET bottle to garment products

The company commit to create quality products along with environmental sustainability through up-cycling product development to transform PET plastic bottle waste to apparel product that comes from recycled PET plastic bottles, resulting in a smooth texture on the fabric, giving a soft and comfortable touch. It is also good ventilation by increasing the function of absorbing and draining sweat quickly to make wearer feel dry and comfortable, which the brand ARROW has developed into a product and will be available in the market since 2020.



The process of changing PET bottle to garment



Innovative product “COOL MODE”

Innovative fabric texture with special function to absorb moisture and sweat ventilation at the same time that are safe to the consumer and environmentally friendly. This qualification means that consumers are comfortable when wearing which consumer can wear it in a building or room with air-conditioning at temperature 25 ° C without feeling uncomfortable. This reduces electricity consumption. This COOL MODE is also certified by Thailand Textile Institute: THTI and Thailand Greenhouse Gas Management Organization (Public Organization) to use the label of “COOL MODE” as the first company in Thailand.

Features of COOL MODE products

The fabrics are comfortable when wearing, easy to wash, high quality and durable as well as safe to wearer. There are 3 main features are as follow:

- Production process: The chemicals and dyestuff are safe and free from Carcinogen and heavy metal.
- Quality and Durability: The fabric are resistant to dimensional stability after washing and durable for color fastness and light fastness to washing, and good perspiration. These qualifications are compatible with Thai Industrial Standards and international standards.
- Cooling feature: It is a special feature in reducing human body temperature causes the wearer feel cool and comfortable; moreover, it reduces energy consumption from Air-conditioner.

The company received a certificate from the Thailand Textile Institute (THTI) and the Greenhouse Gas Management Organization (Public Organization) as a manufacturer, distribute and use of Cool Mode products

CoolMode



Electricity saving label No. 5 shirt products



The company develops products that have been approved for the energy-saving label No.5 “save energy with comfortable to wear, non-ironing”, garment products under the brand Arrow, BSC Cool, Primo and fabric products has important feature which are as follows:-

- **Strong fabric:** Durable to resist in dimension changed after washing. The color is resistant to light and sweat.
- **Safety** The fabric is dyed with safety chemical that are safe from carcinogens and heavy metals.
- **Heat Reduction Absorb** sweat and heat ventilation
- **Verified to standard** Verified to Cool Mode standard “Smoothness appearance”
- **Easycare** “Wash,Dry,Wear” Verified to “Smoothness appearance” test for fabric and seam.

Innovation of Medical products

Fabric mask

Due to the COVID-19 epidemic situation around the world, the company has made function fabrics that have special properties of water repellent to prevent liquid penetration. The fabric is cotton and it is knitted with a single jersey structure with a smooth and soft texture. It is designed and sewn into a fabric mask to donate to various departments and distribute. The fabrics used for the fabric mask have been tested by: - (The product is certified to standard of the followings :-)

- SGS (Thailand): - (The product is certified to the standard test of SGS (Thailand), Ref. To report No. 453035, 4530307, 4530326-7, 4532962
- The Thailand Textile Industry Development Institute Reference Report No.G2241/63: - (Thailand Textile Institute, Ref. to report No. G2241 / 63
- Taiwan Textile Research Institute, Ref. to report No. TFF9C358

Fabric mask features

1. Water-repellent fabric mask

- Inside fabric made from Cotton:- (Inside fabric made by cotton fabric) Protection from small dust particle 0.1 micron by 54% (PM 2.5)
- Outside fabric is water repellent:- (Outside fabric made by water-repellent fabric) (Outside made by water-repellent fabric designed to protect fluid splatter and exposure from coughing and sneezing with re-washable 30 times)
- Designed for comfortable and Air ventilation
- Safe from chemical residues

2. Fabric mask made by 100% Cotton

- Protection from small dust particle 0.1 micron by 54% (PM 2.5)
- Designed for good air-ventilation
- Safe from chemical residues

PPE Suit (Personal Protective Equipment)

Regarding the production of PPE suit, the company has registered to Medical device manufacturing establishments, registration Certificate No. 52/2563 of the Food and Drug Administration Ministry of Public Health by sewing the long-sleeved suit with waterproof and reusable type. Fabrics and stitched seams are tested equivalent to level 2 according to ANSI / AAMI PB70 standard, tested by the Textile Industry Development Institute, Reference Report No. G (C) 3256/63, GPO049 / 63 to use for medical staffs to perform the tasks at low to moderate risk, Medical procedure with minor spills of blood, and for Laboratory use or for doctors and staff who have to interview history of patient.

Qualification of PPE suit

- Fabric qualification is 100% polyester fabric with polytetrafluoroethylene coating. It has water repellent properties and prevents the penetration of hydrostatic pressure)
- Good Air-ventilation
- The fabric has the ability to reuse 20 times, it can be washed in a normal washing machine by using detergent with 0.1% sodium hypochlorite at 40° C for 15 minutes after washing, it must be dried at 80° C for 60 minutes.)



Innovative products I-Flex

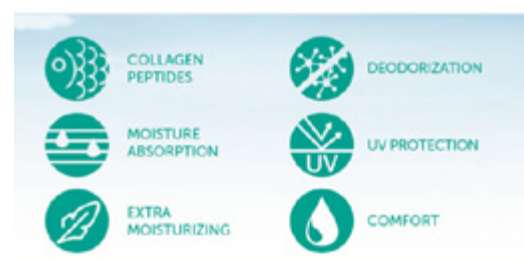
Knitted fabric innovation I-FLEX, It was invented and developed by using special yarn with research and development structure of fabric to be stretchable and revertible. Its fabric is easy care, easy ironing, and resist to wrinkle with stretched 360 degree qualification (more flexibility) which keeps comfortable and flexible body movement to wearer. Its fabric is easy care, easy ironing, light weight, and “Neat appearance”, which is reflect the character of wearer and clearly serve to the need of business target customer. These qualifications can be applied to various products such as Suit, Dress, Skirt, and Slacks



Innovation of Filagen fabric

Knitted fabric innovation made from filagen fibers which is a viscose fiber containing nano-scale micro-collagen extract inside the fiber Makes the fabric has a soft, cool and comfortable texture, it is odorless as well. The fabric also has moisture-retaining properties to the skin and protects the skin from UVA and UVB rays.

the company has developed a fabric that contains 50% filagen fibers and recycled fibers from PET bottles 50%.



Innovative products “Perma Healca”

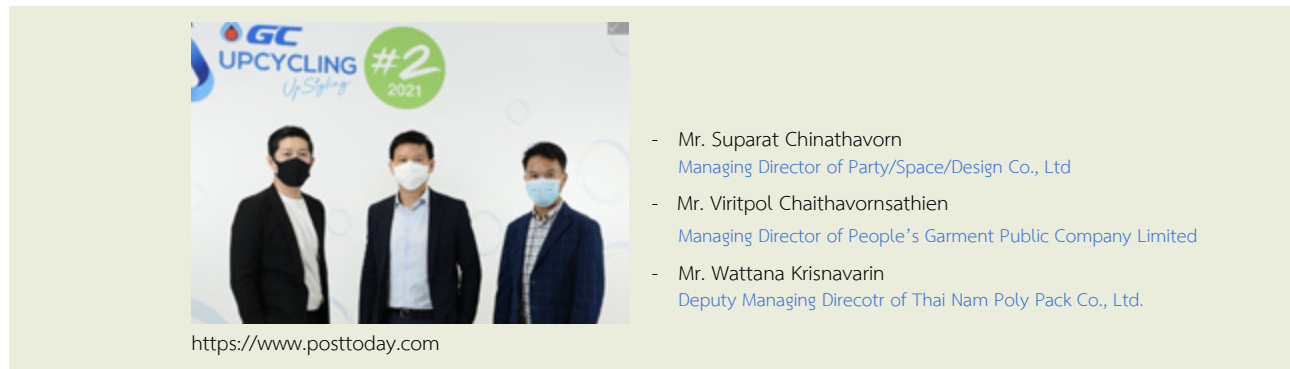
Perma Healca is a textile innovation for health which has been researched and developed specially with “Nano Sync” technology to inhibit bacteria that causes odors. It has the ability to inhibit UV radiation which caused skin disease and has ventilation qualification providing comfortable feeling while wearing and also helps maintain skin moisture.

Perma Healca was produced as POLO under brand ARROW.



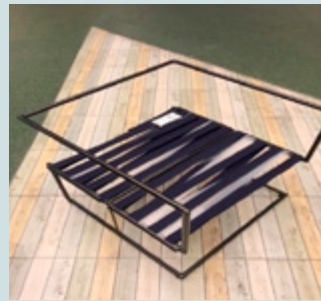
Innovation Recycle “Upcycling Upstyling Project of 2th year”

An important activity that GC has continued for the second year is the Upcycling Upstyling project, which in 2021 was organized under the theme of “Home & Living”, another key strategy that will drive the circular economy in the country by means of Collaboration throughout the process between Product brand (Owner), designer (Designer), and developer of recycled materials (Converter) convey through various products inside the residence and extending Home & Living products to ‘add brand value’ with recycled materials.



“ P.S.D x PG:Arrow x Thainam ”

Under the Master piece “SHARE to CHAIR”, return the old thing to the better new better new thing.



<https://www.posttoday.com>

People’s Garment Public Company Limited, the company produces apparel under the Arrow brand, which generate a large number of used plastic of packaging per year. Normally this plastic must be destroyed by the correct process; therefore, the company incorporates with Party/Space/ Design Co., Ltd. (P.S.D.) as the designers to create the concept of developing up-cycling products to be reusable by designing product namely “SHARE to Chair”.

The main concept is to newly reuse under the sign/logo “Reversed head of Arrow”, it is to connectedly reflect toward Brand “Arrow” which its logo is “Arrow” as well. This sign will be attached to all Up-cycling product of the brand collection including shelves, chairs, and the Arrow apparel bag, which they simultaneously reflect the project name “Upcycling Upstyling”.

In addition, Thai Nam Poly Pack Company Limited as a converter has brought the experience and expertise of the factory in the processing of used plastic raw materials in order to obtain new materials namely PCR plastic granules that are produced from various plastics that have been used previously. These materials are ready to be reused again under the concept of a circular economy that will widely drive society’s awareness of sustainability together.

Therefore, People’s Garment Public Company Limited, which is manufacture of apparel brand ‘Arrow’, has joined the campaign to reuse materials from waste such as plastic bags wrapped fabric materials to be processed into materials for new products under the master piece “SHARE to CHAIR” that can be used in the decoration of at the front of store (Display) and shop of the Arrow brand, which will also create a positive effect on creating awareness of society to up-cycling products in a concrete way.

4.

Explanation and Analysis of Performance and Financial Standing

The re-emergence of the COVID-19 epidemic since late 2020 and the Delta virus outbreak that spread widely in the 2nd -3rd quarter of 2021, resulting in effecting to many economic activities were restricted under the strictly control measures to outbreak for several months. In addition, the outbreak has spread to the business sector causing disruption in the production line in some industrial and construction sectors as well.

However, in the last quarter of 2021, vaccination progress has increased significantly. The outbreak in the country has relived. There has been a gradual relaxation of strict control measures, economic activities can resume. The outbreak of a new strain of Omicron virus at the end of the year, it raised distress about the direction of economic recovery again.

Synopsis of Performance

In 2021, the Company had total sales amounted 612.61 million baht, increased by 11.69 percent, with total net profit amounted 10.64 million baht. Total assets of the Company amounted 1,63170 million baht, increased by 3.32 percent. Total debt amounted 225.73 million baht, increased by 12.47 percent. Shareholders' equity totaled 1,405.97 million baht, increased by 1.99 percent, which the conclusion of the cause of change and significant data analysis are explained as follows.

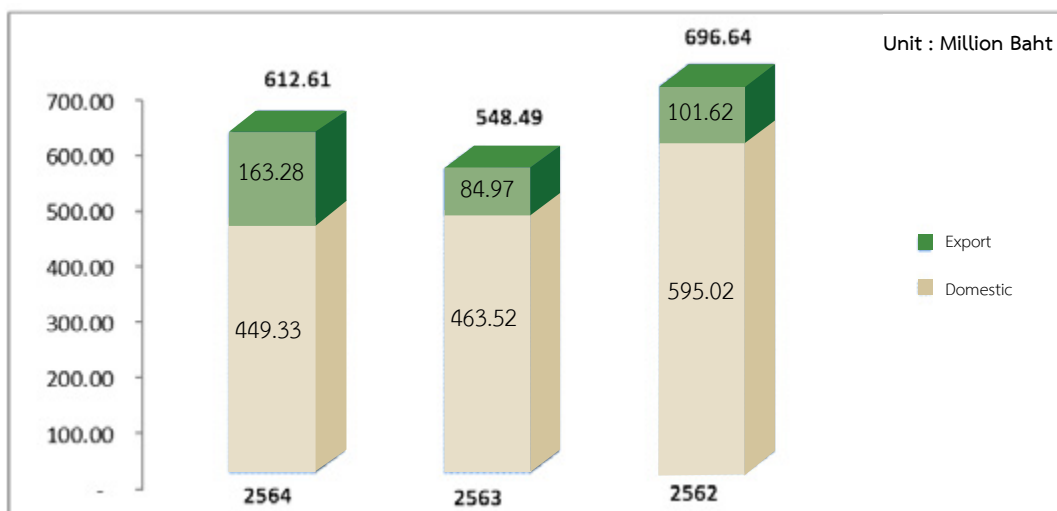
1. Analysis of Performances

Sales revenue;- In 2021, the Company had sales revenue amounted 612.61 million baht, while in 2020 its revenue amounted 548.49 million baht which increased by 64.12 million baht or 11.69 percent.

This is due to decrease of domestic sales from the previous year amounted 14.19 million baht or 3.06 percent as a result of the Covid-19 epidemic (Delta strain) spread all around in 2nd-3rd quarter; moreover, epidemic control measures severely affected the economy including the changes in consumer behavior, which the Company realizes the importance of such changes. Therefore, we focus on online marketing in terms of both Social Media Marketing and Online Marketing to expand marketing and sales opportunities continuously.

Revenue from overseas sales increased from the previous year by 78.32 million baht or 92.17% from US customers from the fact that customers have confidence in our potential and product quality. Even though the company still has few customers, but the company can produce quality products and delivered in time to meet the needs of customers to make customers confidence and trust.

Sales from revenue



Other Revenues

In 2021, The Company had other revenues of 48.05 million baht and 43.22million baht in the 2020, which increased by 4.83 million baht or 11.18 percent from the profit from the sale of investments measured at fair value through the income statement, increased by 8.27 million baht, decreased interest income by 2.20 million baht, dividend income decreased by 2.52 million baht, and other income increased by 1.28 million baht.

Other revenues	2021	2020	%Increased (Decreased)
Received Dividend	12,629	15,145	(16.61)
Received Interest	6,556	8,753	(25.10)
Profit from sale of investment measured at fair value through the income statement	9,498	1,232	670.94
Others	19,367	18,088	7.07
Total of Other Revenues	48,050	43,218	11.18

Cost of Sales

In 2021, The Company's cost of sales amounted 82.92 percent of sales revenue, if compare to the year 2020 which was 82.54 million Baht, it increased by 0.38 percent compared to the previous year as a result of Selling the goods that Gross profit decreased.

Sale Expenses

In 2021, the Company had sale expenses amounted 9.89 million baht, in the year 2020, the sale expenses amounted 18.03 million baht, it decreased by 8.14 million baht or equivalent to 45.15 percent from decreasing of points of sales due to COVID-19 situation.

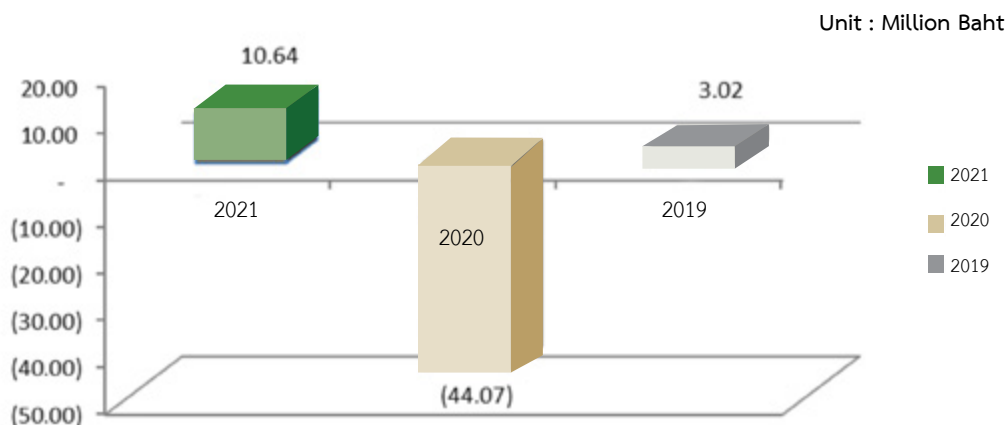
Administrative Expenses

In 2021, the Company had administrative expenses amounted 135.65 million baht, in the year 2020, the administrative expenses amounted 157.24 million baht, it decreased by 21.59 million baht or equivalent to 13.73 percent as a result of well-managed of human resources and other expenses.

Net profit

In 2021, the Company had net profit amounted 10.64 million baht, whereas in 2020 had net loss amounted 44.07 million baht, so the total profit increased from previous year by 54.71 million baht. Net profit per share amounted 0.11 baht.

Net profit



Shareholder Returns

Rate of Shareholder Returns of the company in the year 2021 was 0.76 percent, which previous year was loss by 3.10 percent, the net profit of the company increased and Shareholders' equity increased due to measuring the fair value of investments and profit from sale of investment to measure fair value through other comprehensive income and dividend payment.

According to the Company's dividend payment policy, the dividend will be paid at the rate of not more than 50 percent of net profits which is mainly subject to the Company's performances and economic circumstances. In 2021, the company had net profit amounted 10.64 million baht, profit per share amounted 0.11 baht. On February 21, 2022, the Board of Directors' meeting No. 1/2022 then had the resolution to propose to the annual general meeting of shareholders on dividend payment at the rate of 0.10 baht per share totaling 9.60 million baht, which will be paid on May 25, 2022.

2. Financial Standing

As of 31 December 2021, the Company's total assets were 1,63.70 million baht, increased by 52.46 million baht or 3.32 percent compared with the total balance in the previous year. The Company's current assets increased amounted 28.30 million baht and non-current assets increased 24.16 million baht. Total assets of the Company comprised of cash and cash equivalents equaled to 2.18 percent; trade debtors and others debtors 8.44 percent; inventories amounted 19.94 percent; Other Non-current assets due within 1 year equivalent to 1.53 percent; Other Current assets equivalent to 19.94 percent; Other Current-assets equivalent to 37.39 percent; land, property and equipment amounted 8.84; Right-of-use asset equivalent to 1.06 percent; and others equivalent to 0.50 percent.

Current Assets

As of 31 December 2021, current assets of the Company amounted 857.46 million baht, increased from the previous year by 28.30 million baht due to increasing of inventories to prepare for sale to customers, increase in trade accounts receivable from sales resumed in Q4 and other current financial assets increased by fair value measurement.

Cash and Cash Equivalents Cash and cash equivalents of the Company amounted 35.58 million baht, which previous year amounted 31.18 million baht, increasing amounted 4.40 million baht due to investment activities amounted 16.60 million baht but it was spent 19.56 million baht in operating activities and 16.60 million baht spent on financing activities

Trade account receivables and other receivables As of the current amount of 137.72 million baht, the previous year was 123.64 million baht, increased 14.08 million baht, consisting of trade accounts receivable of 134.37 million baht, other receivables of 3.35 million baht, total trade accounts receivable which were not yet due for payment of 129.33 million baht or equivalent to 93.91 percent. Receivables that are overdue for less than 3 months, amounting to 5.04 million baht or 3.66 percent and overdue not more than 6 months in the amount of 0.06 million baht or 0.04% due to the customer's payment policy does not meet the payment cycle of the company and other account receivable amounted 3.35 million baht or 2.43 percent, and the company has set up an allowance for doubtful accounts in the amount of 0.06 million baht

Inventories Inventories of the Company amounted 328.25 million baht, increased by 26.98 million baht from 301.27 million baht in the previous year due to management of finished-goods for selling to customer in time.

Inventories of the Company amounted 328.25 million baht comprises of Raw material amounted 108.92 million baht, Work- in process product amounted 29.81 million baht, finished products amounted 212.78 million baht, and supplies amounted 3.34 million baht. Moreover, the company also expresses inventories in financial statement with a lower cost or market price. However, if there is a product that is deteriorated or outdated, the company has considered reducing the value of the product according to the accounting standard. The company has set aside for obsolete products in the amount of 26.60 million baht.

Other current financial assets: The amount is 325.36 million baht, consisting of private funds amounted 191.93 million baht and investments that are measured at fair value through income statements of 108.37 million baht, open-end funds and fixed deposits of 25.06 million baht.

Other non-current financial assets which matures within 1 year: The amount of 25 million baht is debt securities which matures in one year.

Non-current Assets

As of 31 December 2021, non-current assets of the Company were 774.24 million baht, increased from the previous year by 24.16 million baht resulting from Fair value appraisal of other non-current financial assets.

Other non-current financial assets As of December 31, 2021, Non-current financial assets amounted 610.03 million baht, consisting of investments in the stock exchange amounted 196.53 million baht, unrealized gains from fair value appraisal of 246.64 million baht, Investments outside the stock exchange amounted 49.81 million baht. There was an unrealized gain from revaluation of 25.05 million baht and debt instruments of 92 million baht.

Land, Property and Equipment As of 31 December 2021, the Company had land, property and equipment valued 144.30 million baht, increased by 2.37 million baht from 141.93 million baht of the previous year as a result of the debit of depreciation amounted 11.94 million baht and buying more machinery, equipment and others, which increased 14.82 million baht as well as amortization of book value amounted 0.51 million baht.

The Rights-of-use assets As of December 31, 2021, in the amount of Baht 17.32 million, IFRS 16 stipulates that leasees are required to recognize assets and liabilities for leases agreement with a lease term is more than 12 months. The company has leasehold rights amounted 29.59 million baht. The remaining value at the beginning of the year amounted to 23.46 million baht, and amortized during the year 6.13 million baht.

Total Liabilities

As of 31 December 2021, the Company had total liabilities amounted 225.73 million baht, increased by 25.03million baht or 12.47 percent from the previous year due to the increasing of trade account payable.

Shareholders' Equity

As of 31 December 2021, shareholders' equity of the Company amounted 1,405.97 million baht increased by 27.43 million baht or 1.99 percent from 1,378.54 million baht in the previous year because the company had net profit in the year 2020 amounted 10.64 million baht, and pay dividend from retained earnings amounted 9.6 million baht, and other factors of the shareholders' equity increasing amounted 19.28 million baht. There was profit from sale of investment to be measured at fair value through other comprehensive income of 7.11 million baht. The Company had book value per share at the end of 2021 counted as 14.65 million baht, as previous year amounted 14.36 million baht, which increased 0.29 baht per share.

3. Asset Quality

Other current financial assets

The Company has investments in other current financial assets of 325.36 million baht, comprising private funds of 189.23 million baht, unrealized profits of 2.70 million baht. There was investing in investments fund in the stock market that measure fair value through income statement of 104.61 million baht, and having unrealized profit of 3.76 million baht, and invest in open-end funds of 25.06 million baht.

Unrealized gains from fair value measurement are expressed in the Company's income statement. However, the investment that the company invested was very good asset quality; moreover, it also yields in the form of dividends at a satisfactory rate and higher than bank deposit rates.

Other non-current financial assets

The Company had investments in other non-current financial assets totaling 610.03 million baht, consisting of investments in the stock market that measure fair value through other comprehensive income of 196.53 million baht, unrealized gains from fair value valuation of 246.64 million baht, investment outside the stock market of 49.81 million baht, generating unrealized gain from fair valuation amounted to 25.05 million baht and debt instruments amounted to 92 million baht.

Unrealized gain on net fair value appraisal from income tax, which is presented in other components of shareholder's equity. This is caused by changes in securities prices that fluctuate according to operating results and economic conditions. This is an investment with a very good quality of assets. Moreover, it also offers a favorable dividend yield and higher than the bank deposit rate.

Land, Property and Equipment

At present, property, plant and equipment had values in market price more than values shown in the financial statement. The number was shown in the form of the cost deducted by accumulated depreciation. The Company had managed the assets and caused revenues in some part of properties and factories through rental. For machineries, most of them were modern and had efficiency for production because the Company had always bought new machineries to replace the old machines and always kept good maintenance

4. Liquidity

Cash Flow

In 2021, the Company had cash and cash equivalents of 35.58 million baht, the previous year was 31.18 million baht, increasing of 4.40 million baht. The company had net cash used from operating activities of 19.56 million baht from operating profit amounted 33.25 Million baht. Trade accounts receivable of 13.65 million baht, and other non-current assets of 1.06 million baht, other current liabilities of 3.58 million baht, including Long-term employee benefits were paid 10.30 million baht and payment of trade and tax payables of 0.48 million baht.

There was a cash flow from investing activities of 40.56 million baht, derived from debt securities and fixed deposits held until maturity of 60 million baht, dividend received of 12.64 million baht. Interest received in the amount of 6.99 million baht derived from the sale of equipment in the amount of 0.90 million baht. The Company invested in other net current financial assets of 3.82 million baht, invested in other non-current financial assets, net of 21.33 million baht, invested in machinery and equipment for use in business operations of 14.82 million baht.

The use in financing activities in the amount of 16.61 million baht paid the lease liabilities under the lease agreement of 0.04 million baht. The company has paid dividends from retained earnings at the rate of 0.10 baht per share, amounted 9.60 million baht

Adequacy of Liquidity

The Company had proper liquidity in 2021 ratio was 7.94 times and was 10.71 times in 2020. Quick liquidity ratio of 2021 equivalents to 4.90 times and was 6.82 times in 2020. Cash and cash equivalent were adequate for dividend payment and future investment. Furthermore, the Company had very low debt to equity ratio. As ended of 2021, it was 0.16 times and 0.15 times in 2020 resulting to the Company's wealth and adequacy of liquidity.

Financial Ratio		2021	2020	2019
Liquidity Ratio	Time	7.94	10.71	11.29
Quick Liquidity Ratio	Time	4.90	6.82	7.04
Debt to Equity ratio	Time	0.16	0.15	0.12

Sources of Capital

The Company's capital spending for operation and investment was from gain on operation and investment. For short-term investment, bonds/debentures and bank deposit were considered as gain on interest receivable and dividend. The Company had no interest-bearing liabilities. Most of the Company's liabilities shown in the financial statement were trade creditors, other creditors, deferred income tax liabilities and provision for employee benefits and liabilities under lease agreements.

Commitments

The details are provided in the Notes to the Financial Statements clause 28, Commitments and Contingent Liabilities.

Financial Ratios		2021	2020	2019
Liquidity Ratios				
Current Ratio	Times	7.94	10.71	11.29
Quick Ratio	Times	4.90	6.82	7.04
Activity Ratios				
Account Receivable Turnover	Times	4.69	4.45	5.31
Average Collection Period	Days	77.86	82.00	68.76
Inventory Turnover	Times	2.72	2.18	2.66
Average Sale (Inventory) Period	Days	134.24	167.36	136.98
Account Payable Turnover	Times	6.26	6.98	7.59
Average Payment Period	Days	58.27	52.26	48.07
Cash Cycle	Days	153.83	197.10	157.68
Total Asset Turnover	Times	0.42	0.37	0.45
Fixed Asset Turnover	Times	4.06	3.91	5.51
Leverage Ratios				
D/E Ratio	Times	0.16	0.15	0.12
Modified Interest Coverage Ratio	Times	(0.03)	(0.05)	(0.04)
Dividend Payout Ratio	%	90.21	-	636.60
Dividend Yield Ratio	%	1.50	4.03	3.74
Profitability Ratios				
Gross Profit Margin	%	17.08	17.46	22.73
Net Profit Margin	%	1.74	(8.04)	0.43
Return on Asset	%	0.77	(2.69)	0.60
Return on Equity	%	0.76	(3.10)	0.20

5.1 General Information

Company's name People's Garment Public Company Limited "PG"
Registration number 0107537001552 Registered as a juristic person under the law on public companies on 29th September, 1988
Type of business Operate business of Textile and Garment
Head quarter 666 Rama3 Road, Bangpongpan,
 Yannawa, Bangkok, 10120
Tel. : 0-2685-6500 **Fax :** 0-2294-5159
Website : <http://www.pg.co.th>

The company has no associated company / subsidiary company

The company has no associated companies / subsidiaries.

Registered Capital 96,000,000 Baht
Classified into :
Common Stock 96,000,000 shares /
Preferred Stock - None-
Issued and fully Paid-up capital 96,000,000 Baht

References Persons

Registrar of securities: Thailand Securities Depository Company limited

The Stock Exchange of Thailand Building,
 93 Ratchadapisek Rd, Din Daeng, Bangkok 10400.
Tel : 0-2009-9999
Fax : 0-2009-9991

Auditor: Mr.Chayapol Supasetanon Certified Public Accountant Registration No.3972
 Mrs.Kingkarn Asavarangsan Certified Public Accountant Registration No.4496
 Ms.Rasaporn Dejarkom Certified Public Accountant Registration No.5659
 Ms.Sumana Phanpongsonon Certified Public Accountant Registration No.5872
 Ms.Kirdsiri Kanjanaprakasit Certified Public Accountant Registration No.6014

EY Office Limited 33rd Floor, Lake Ragada office Complex

G.P.O.Box 1047, Bangkok 10501 Thailand
Tel. : 66-2264-9090 **Fax. :** 66-2264-0789-90

5.2 Other important information

Investment in the other companies by being shareholder 10% or more

Company Name	Type of Business	Paid-Up Capital	Share Holding		Ratio (%)
			Share	Amount (Baht)	
Thai Sports Garment Co., Ltd. 666 Rama 3 Road, Bangpongpan, Yannawa,Bangkok 10120	Manufacturing and Distributing Garment	10,000,000	19,000	1,900,000	19
Champ Ace Co., Ltd. Soi Charoen Rat 7 Cross.Rd. 29-1 (right side), Bankklo, Bangkholaem Bangkok 10120	Manufacturing and Distributing Garment	40,000,000	60,000	6,000,000	15

5.3 legal dispute

The Company does not have any obligations or to be parties or parties to legal disputes which will affect the Company's assets.

Part 2

Corporate Governance



6.1 Overview of Corporate Governance Policies and Practices

The Board of Directors of People's Garment Public Company Limited has attached importance and devoted its determination to undertake business operations on the basis of good governance principles to enhance organization to have efficiency management system and honesty for being transparent and fair organization to increase competitive advantage. These guideline will bring sustainable growth to company together with create more value for shareholders in the long term.

The company has issued “good corporate governance principles” in writing version in term of hand-book to promote corporate governance by focusing on business operations with transparency, ethics, and honesty. Also it is a good practice for directors, executives and employees. The company has disclosed the principles on its website and intranet system in the topic of Corporate Governance for directors, executives and employees to adhere the principle as business operation and working standard by taking into account in all stakeholders through the management policy under the changing economic and social conditions equally and also based on sufficient economy.

The Board of Directors realizes the importance of Good governance and pay attention to the commitment to continuously enhance standard of Good corporate governance to create transparency, efficiency, sustainable growth as well as create value-added and long-term stability for shareholders under changing economic and social conditions with balanced management based on sufficiency economy in order to comply with good corporate governance principles for listed companies.

The Board of Directors is aware of the roles and duties of the organization's leadership. Therefore, it has considered and reviewed the adoption of the CG Code appropriately according to the business context of the company, which is reviewed annually to create sustainable value from the continuous development of good corporate governance principles to comply with the CG Code. It is resulting in the year 2021 the company received the results of the assessment of compliance with the principles of good corporate governance and held the meeting of shareholders as follows:



Corporate Governance Assessment result at the level of “**Excellent**” Received the survey result of Corporate Governance report of Thai Listed companies (CGR) of the year 2021 for 4th consecutive year by The Thai Institution of Directors (IOD)



สมาคมส่งเสริมธุรกิจไทย
THAI INVESTORS ASSOCIATION

Received a full score of 100 from the Quality Assessment of the Annual General Meeting of Shareholders Year 2021 (AGM Checklist) from the Thai Investors Association **being the “13th” year continuously since 2009**



CAC
COLLECTIVE ACTION AGAINST
CORRUPTION

Certified by the Private Sector Collective Action Coalition Against Corruption Council (CAC) since October 14, 2016 and passed the assessment to renew the certification. The latest on November 4, 2019

Compliance with good corporate governance principles

The Board of Directors realizes the importance of good corporate governance and is committed to operate the business in accordance with the principles of good corporate governance to create long-term sustainable business growth and promote transparency. This principle is not only builds confidence for shareholders, investors and all stakeholders but also it can also create benefits and good business results for the organization sustainably. It is operated by using the Code of Conduct and Guidelines for Good Corporate Governance for Listed Companies 2017 (Corporate Governance Code for Listed Companies 2017) of the SEC Office to enhance the Company's business operations to be better in order to have clear and standardized practice guidelines enhance cognition and fostering a good corporate governance culture in the organization. This is in order to have good corporate governance that will enable the business to continue sustainably by the company's corporate governance policy. It consists of 8 sections of the Code of Conduct, which are adapted and reviewed for business suitability, covering 5 sections of corporate governance principles, which can be summarized in a nutshell as follows:

Chapter 1: Rights of Shareholder

The Company has given shareholders the opportunity to take part in corporate governance and to express the opinion on company operations by focusing on best practices for shareholders' meetings regarding the quality of the invitation letter, minutes of meetings, the roles and attendance of the chairman and subcommittees. It is included in the minutes of the shareholders' meeting that allow shareholders to acknowledge the results of the meeting and be able to verify the accuracy of information through the channels of the Stock Exchange of Thailand and the Company's website within 14 days from the meeting date. The company also continues exercising our shareholder rights for sustainability as follows:

1. The board of directors appreciates and respects the ownership rights of shareholders. No actions are taken to violate or infringe the rights of shareholders. The interests of shareholders are fairly safeguarded and the exercise of rights by all shareholder groups are supported and promoted, whether domestic or foreign, major shareholders, retail shareholders or institutional shareholders, incorporating both the fundamental rights of shareholders, access rights to information in a sufficient and timely manner, and the right to attend shareholders' meetings to determine directions for operations and decisions on matters having a significant impact on the Company.
2. The Board of Directors provides opportunities for shareholders prior to propose the matter to be put into the agenda and/or propose the name of persons as candidate for being considered to be elected as company's director and submit questions to inquire information on each agenda or other information of the company prior to the shareholders' meeting day. Rules for the proposal of agenda item and advance submission of questions have been published in the Company website
3. The Company gives shareholders an opportunity to send questions to inquire information on each agenda or other information of the Company in advance of the shareholders' meeting date via e-mail suvmol@pg.co.th or at the address of the company.
4. To allow all shareholders to receive clear information, sufficient, and having time to study information in advance before the shareholders' meeting, the Board of Directors oversees the publish of information, date, time, venue of the meeting and set the meeting agenda separated in each matter clearly in both Thai and English.

For the invitation letter of the meeting of shareholders, The company has provided detailed information of each agenda with explanations and reasons and the opinion of the Board of Directors

- in each agenda. The Company has published the notice of the meeting together with relevant documents on the Company's website both in Thai and English 30 days prior to the shareholder's meeting and deliver such documents to shareholders 21 days in advance of the meeting date.
5. The Company has given the opportunity for shareholders to appoint any independent director as a proxy to be able to attend the meeting on his/her behalf by using one of the proxy forms that the Company sends together with the notice of the meeting which is a format in which shareholders can set voting directions according to the form that the Department of Business Development, The Ministry of Commerce along with information of independent directors designated by the company as proxy from shareholders.
 6. The Board of Directors has granted shareholders with the authority to approve the remunerations of Company Directors on a yearly basis as well as to propose the remuneration policy and criteria for paying remuneration to each Company Committee.
 7. The Board of Directors promotes the use of technology in shareholders' meetings in order to promote accuracy and speed. Votes are taken for each item on the agenda and shareholders are given the right to elect Company Directors individually and ballot papers are used.
 8. At every shareholder's meeting, The Company provides an independent person to monitor the vote counting and playing role on reviewing shareholder documents, counting a quorum and votes, overview the meeting resolution and voting results in order to make the meeting transparent and legally. In addition, there was also a representative of the shareholders' rights protection volunteer from the Thai Investors Association also attended to observe.
 9. The Board of Directors publishes 2021 shareholders' meeting resolutions along with the voting results for each agenda both English and Thai version via SET portal and Company website on the day following the meeting.
 10. The Board of Directors will completely record the minutes of the shareholders' meeting which composes of important information including list of Directors, subcommittees and executives who attend and absent the meeting, procedures and methods of voting and counting scores of the meeting resolution together with the votes, agree, disagree and abstain in every agenda if vote required. Before voting, chairman of the meeting allowed shareholders to ask questions or express opinions, such questions or opinions will be recorded in the minutes and revealed on the minutes clearly. It must be completed within 14 days from the date of the meeting and submitted to the Stock Exchange of Thailand and the Ministry of Commerce within the period prescribed by law and published on the company website after the meeting was completed. Shareholders can be confident that the arrangement of the meeting from checking documents, registration, counting numbers of shareholders and proxies as a quorum, The meeting carried out in accordance with the agenda notified in the meeting notice. No additions or changes were made to significant data without giving prior notice to the shareholders. Vote counting and the meeting resolution proceeded with transparent and legally and company regulations.

Basic Right

- Right to own, sell, buy or transfer shares freely
- Right to attend shareholder meeting for exercising their right on expressing the opinion and making decision by voting in the meeting for approving the significant impact on company such as changing

or setting company regulation or company memorandum, reduction or increase its capital and to approve a special list.

- Right to authorize the independent directors or any person(s) as his/her proxy in attending the meeting.
- Right to appoint or discharge the Directors as well as consider their remuneration.
- Right to appoint auditors and their remuneration.
- Right to give opinions and ask questions in the meeting of shareholders.
- Right to be equally allocated of the profit/dividend.

Over the above basic rights, The Board of Directors also considers the rights of the shareholders as required by law and implementation issues to encourage and facilitate the exercise of shareholders' equity without ruling or depriving the shareholders' rights as follows:

The right to Access to the Information

The Company disclosed information both in Thailand and in English via the company's website www.pg.co.th and www.set.or.th. Some information is not in the criteria required by law to be disclosed but if the company see its necessary to acknowledge, the Company will disclose it by disclosing accurate, complete, timely, and transparent information as following;

- **Company's shareholding structure was revealed including list of the 10 largest shareholders** of the Company at the closing date for Annual General Meeting in prior the meeting date including the number of minor shareholders.
- **Report the minute of shareholder meeting within 14 days from meeting** date and disseminate it on company website which one of channel that shareholder can acknowledge and examine such report. No need to wait until next meeting.
- **The company operation, management policies, related transactions and purchasing of asset through other significant information which necessary for shareholders** In order to ensure shareholders, these disclosures are undertaken to secure the confidence and trust of shareholders in the operational structure which is transparent and accountable, as well as to show that the operations are efficient and achieving a sustained growth and continuous generating a return to shareholders at a suitable rate.
- All shareholders, both retail shareholders and general investors are able to contact for information directly from the Company Secretary by E-mail suvimol@pg.co.th or direct line telephone at 0-2685-6509

Principles for protecting the rights of shareholders

The meeting of Shareholders

The Board of Directors has held a meeting of shareholders once a year within 4 months (120 days) as from the end of the Company's annual accounting year in order to allow shareholders to participate in monitoring the company's performance, the company set appropriate date, time, place, and method. In case of emergency which the company needs to propose special agenda regarding shareholders' benefit, regulations or related laws which need to be approved by shareholders, the company shall call for an extraordinary shareholders' meeting. The arrangement of shareholders meeting, company performed as AGM checklist.

In 2021, there was no call for an Extraordinary General Meeting of Shareholders.

Due to the epidemic situation of the Coronavirus Disease 2019 (COVID-19), to organize the Annual General Meeting of Shareholders Year 2021, the Company has measures and guidelines for attending the Annual General Meeting of Shareholders. by asking for cooperation for shareholders to appoint independent directors instead of attending the meeting in person. However, regarding shareholders who wish to attend the meeting in person must strictly follow the measures to prevent the spread of the coronavirus disease 2019 (COVID-19) according to the announcement of the Ministry of Public Health and the Covid-19 Situation Administration Centre.

Prior to the Meeting of Shareholders Date

1. Shareholders who holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and to nominate the candidates to be elected as Directors in advance according to company regulation.

For 2021, company provided the opportunity to propose agenda and to nominate the candidates to be elected as Directors in advance, during 1st-30th December 2020, such invitation had disseminated both English and Thai version via information board of SET, and on the company's website: www.pg.co.th since November 17, 2021.

There were no agenda proposed or/and no candidates to be directors proposed.

2. Shareholders were notified of the resolution of determining the date of shareholders' meeting no.42 both Thai and English version since February 22, 2021 which was 2 months prior to the meeting date so as to enable the shareholders to set aside time for attending the meeting. Such resolutions were disseminated via company website www.pg.co.th
3. The meeting notice together with all relevant documents in both Thai and English were published on the Company website (www.pg.co.th) on March 25, 2021 which was 30 days in advance of the meeting date So that shareholders can access information easily and having time to study in advance before submitting such documents
4. The same information was sent to the Thailand Securities Depository Company Limited, the Company's Share Registrar, for forwarding to shareholders in document format on 5 April, 2021, i.e. 21 days in advance of the meeting date, so as to give the shareholders sufficient time to study the meeting documents

In case of foreign shareholder or institutional type, The Company sent the invitation letter by attaching English version of the meeting documents together with the Thai version **to encourage all types of shareholders, including institutional investors to attend the meeting.**

5. The notice of the meeting were also advertised in daily newspapers for a period of 3 consecutive days, and 14 days prior to the meeting date, i.e. 7-9 April, 2020. so as to give the shareholders sufficient time to study the meeting documents.
6. The Company had provided an opportunity for shareholders to exercise their right to send question regarding the agenda of shareholder meeting in advance during April 5, 2021 to April 23, 2021. Such criteria was disseminated via E-mail : suvimol@pg.co.th or company address, in case of the share-holders require additional information, please contact directly to Company Secretary as following ;

Address: PEOPLE'S GARMENT PUBLIC COMPANY LIMITED
666 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120
Tel : 0-2685-6509 Fax : 0-2294-5159 E-mail : suvimol@pg.co.th

For 2021, There were no questions from shareholders to be submitted in advance.

7. In order to facilitate shareholders who were unable to attend the meeting, the company invited the shareholders to appoint an independent director or any person to attend the meeting on their behalf by using a proxy form which the company has sent along with the appointment letter. This is a form in which the shareholders can determine the direction of voting according to the form that the Department of Business Development, Ministry of Commerce set with information of independent directors designated by the company to be shareholders' proxies

Shareholders are notified of the rules and procedures for attending the meeting in the meeting notice, with which Proxy Form B as prescribed by the Ministry of Commerce was also attached or a choice of either Proxy Form A or Proxy Form C. All three Proxy Forms can be downloaded from the Company website. The Company also gave notice of such publication guidelines via the press release system of the Stock Exchange of Thailand.

For shareholders who are institutional investors or foreign investors can appoint the custodian. The company shall coordinate on documents and evidence that need to be presented before the meeting in advance for convenient in registration.

Day of Shareholders' Meeting

The Board of Directors attaches importance to the shareholders' meeting. The shareholders have a duty to attend the meeting in order to exercise their voting rights in the meeting according to the basic rights of the shareholders and this is opportunity for shareholders to ask directors about the company information.

1. The Company continuously determined the date for the 42nd general meeting of shareholders for 2021 on Tuesday 27 April 2021, at 09.00 hrs., Chao Phraya 1, Montien Riverside Hotel 372, Rama3 Road, Bang Khlo subdistrict, Bang Kho Laem district, Bangkok, 10120. For convenience, the company select meeting place that can be reach by mass transportation so that shareholders can easily travel to attend the meeting because it is on the side of Rama3 road.
2. Shareholders were able to register with the barcode system at least 2 hours prior to the meeting and continue the register until the meeting is completed

In the subsequent period until the end of the meeting, a right given to shareholders attending after the meeting had already commenced. Such latecomers would have the right to cast votes in the pending agenda that had not yet been voted on. The quorum would be counted as from the agenda of first attendance and vote, except where held otherwise by the shareholders.

During the registration, The Company arranges

- The company assigns adequate **staffs** members to administer the registration.
 - Prepares **duty stamps** for affixing on the Proxy Form on their behalf. This is free of charge to provide services to shareholders who appoint other proxies to attend the meeting on their behalf
 - Voting **boards and polling cards were provided** to the shareholders for use in casting votes.
3. Shareholders who were unable to attend the meeting can grant proxies to other persons or grant proxies to Independent Directors who are Audit Committee of the Company as specified for retaining the right.

4. The Board of Directors has attached significance to the meeting of shareholders. It is deemed as a duty to attend every meeting, with the exception of illnesses or other important engagements which shareholders can ask the Chairman of each sub-committees on related matters

In 2021, annual general meeting of shareholders, There were 12 directors attending the meeting, representing 100%. **The Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Remunerations Committee, Chairman of the Nomination Committee, Chairman of the Risk Management Committee, Chairman of the corporate governance committee, Chairman of the Executive Committee, Managing Director and Chief Financial Officer** attended the meeting and given explanations and responded to questions posed on matters related to the meeting agenda or Company operation. The company arranged an independent auditor from EY Association Co, Ltd. as inspector acted as an auditor of counting vote thoroughly the meeting in compliance with laws and company regulations. There are also volunteer representatives from the Thai Investors Association taking part in the observation.

5. Prior to the commencement of meeting pursuant to the agenda, the Company Secretary notified the meeting of the number and proportions of shareholders present and declared the meeting open. An explanation was given on the voting procedures and vote-counting procedures for shareholders casting votes in each agendum according to the law and articles of the Company. The Chairman of the Board of Directors, acting as chairman of the meeting opens the meeting.

Vote-counting procedures can be summarized as follows:

- 5.1 The company determines the right to vote according to the number of shares held by shareholders, one share equal one vote. No shares shall have preferential rights to the other shareholders. Voting shall be done openly as shareholders shall raise their barcode placard (with barcode bar) then staff will collect the vote by barcode scanning.
- 5.2 Any agenda that need the resolution, the company shall ask for confirmation card for transparency, and examinable. Voting in each agenda, the president of the meeting shall ask the shareholders and proxy to raise their barcode placard (with barcode bar) if disagreement and abstention, and sign shareholders name and proxy name in confirmation card. Staff shall scan barcode on placard then collect the confirmation card.

For shareholders who gave a proxy to independent director, the company shall do the vote by shareholders' intention.

- 5.3 Counting the vote on each agenda, the company applied barcode system as counting tools. The voting results are displayed on the screen for shareholders to simultaneously acknowledge in order to be accurate and the results can be announced immediately after the end of each agenda.
6. The shareholders' meeting was carried out in accordance with the agenda notified in the meeting notice. No additions or changes were made to significant data without giving prior notice to the shareholders. Appropriate and sufficient time was set aside for presenting various matters in each agendum and opportunities were given to shareholders to pose questions and express opinions fully in each agendum.

If shareholders need to propose agenda which were not contained in the notice for consideration during the meeting, such proposal need to be approved by the meeting with the minimum vote of 1/3 of shareholders who attend the meeting and have the right to vote.

The company provides a video recording of the annual general meeting of shareholders throughout

the meeting and it is published the meeting images on the company's website (www.pg.co.th)

The chairman of the meeting gave the shareholders an opportunity to ask questions and fully propose opinions during the shareholders' meeting on each agenda. Due to the epidemic situation of Coronavirus 2019, and for the safety reason and welfare of the attendees, the company refrains from preparing a microphone for any inquiries. However, the company provided paper form to write questions, suggestions, and opinions instead, and completely to took notes, of questions and answers in the minutes of the meeting. Moreover, there was a conclusion by voting together with the vote count in order that the shareholders who did not attend the meeting could acknowledge the matter, it appeared that in the year 2021 there was no shareholder raised any question.

Result of Voting in each Agenda

Votes on each agenda were cast openly; The ballots were distributed to all shareholders and proxies on the registration desk, and will be only collected on disagreement and / or abstention. Except for the election of directors, which were individually election, the ballots will be collected from every shareholders and proxies. Voting will be counted only for those who disagree and / or abstain including votes on bad ballots (if any) will be deducted from the total number of votes attended the meeting. The rest was the agreement vote on such agenda

If there were additional shareholders attended the meeting, the number of shareholders and the number of additional shares will be announced on each agenda.

For 2024, voting at the 42nd Annual General Meeting were held on Tuesday 27th April, 2021, which each agendas are as follows:- (The company has disseminated the minute of meeting via company website www.pg.co.th)

Agenda	No. of share holder	Approval		Disapproval		Abstention		Void Ballot	
		Shares	%	Shares	%	Shares	%	Shares	%
1 - 4	62	71,530,205	100	-	-	-	-	-	-
5 - 7	63	71,530,206	100						
8	63	71,551,306	100	-	-	-	-	-	-

For significant meeting agenda were disseminated in the "notice of meeting".

- Appointment of Directors :** The Company gave an opportunity for shareholders to elect Directors individually. The shareholders had been provided with preliminary information on the nominees, positions held in other businesses, clearly specifying the cases of companies carrying out businesses identical to or in competition with the Company, and the attendance of Board of Directors Meetings. Each director has been screened by the Nomination Committee by considering the appropriateness of qualifications, experience and expertise from various professions including the performance as a director in the past. If considering on director whose term has ended, the nomination committee will propose to the Board of Directors meeting. The Board of Directors is authorized to select qualified candidates from the Nomination Committee's list.

2. **Directors' Remuneration** The remuneration committee is responsible for considering the credit limit and allocating by considering Company operation performance, performance, amount paid in the past year and compare with levels of practice in the same business group, also including authority and responsibility **which were in accordance with the policies and conditions** for directorial remunerations considered and reviewed by the Remunerations Committee. The Company has regularly proposed a remunerations limit for approval by the meeting of shareholders on yearly basis. The remuneration comprises of Meeting allowance, Annual remuneration without others extra compensation. Such remuneration paid to each Director were disclosed the Annual Report topic "Management Structure".
3. **Appointment of Auditor and Determination of Audit Fee** : The auditor must not be a director, employee or holder of any position in the Company. The auditor need to be accepted standard of verification be independent and meet all the requirements of the company and the Securities and Exchange Commission. The Company provided details on the name of auditor, audit office, the relationship between the audit office and the Company, the number of years of work performed, reasons for changing the auditor, and comparative data on audit fees for the current year and the preceding year. Such information had also been considered by the Audit Committee of the company.
4. **Dividend Payment** : The Company provided details on profit distribution, dividend payment in accordance with the Company's dividend policy, and a comparison of dividend payment for the current year and the preceding year. The closing date of the register (Record Date) for the determination of the right to receive dividend payment was also specified.

Guidelines on conflict of interest for the meeting

In the shareholders' meeting if any director has a conflict of interest or related transaction in any agenda. Said director will inform the meeting to request leaving the meeting or abstaining on such agenda.

Subsequent to the Meeting of Shareholders

1. The company has disseminated the 2021 meeting resolution together with voting result on each agenda both Thai and English version via SET news within the meeting day and also published via company website on the next day.
2. The Company Secretary recorded the information and prepared accurate and complete minutes for the general meeting of shareholders, including the names of Directors present/absent together with the reasons for absence, essential explanations and a summary of questions or answers or opinions. In the past year, all Directors were present and no questions were posed by the shareholders. The details on each agendum were in accordance with the facts in the meeting. Summaries of the votes in each agendum were divided into approvals, non-approvals and abstentions. Such minutes were signed by the Chairman of the Board of Directors, acting as chairman of the meeting, and submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 14 days of the meeting of shareholders. The minutes were also published on the Company website in both Thai and English as a channel for shareholders to search and inspect data without having to wait for the subsequent meeting. A submission was also made to the Ministry of Commerce within the period prescribed by law.

3. The company has video tape recorded and pictured meeting atmosphere and disseminate via company website for absent shareholders for acknowledgment.
4. After the shareholders' meeting approved dividend payment, company shall inform the resolution including dividend payment's details via SET news and cooperate with the registrar of Thailand Securities Depositories Co., Ltd. to ensure all shareholders receiving payment correctly and completely.

Distribution of shares

1. The Company set the Record Date for distribution of shares on March 12th, 2021 to determine the persons eligible for attendance of the Annual General Meeting of Shareholders.
2. The Members of the Board of Directors and their spouses as well as children who are underage hold a combined amount of 5.77% of issued shares, which does not exceed 25% of company's issued shares.
3. The free float proportion was 33.05% of issued shares which was greater than 25% of issued shares.

Chapter 2: Equitable Treatment of Shareholders

The company is committed to treat equally and fairly to all shareholders, major shareholders, minor shareholders, institutional shareholders or foreigner shareholders, which the company attaches importance to this matter and the company has the tools for supporting the equal of shareholders rights in regardless of gender, age, race, nationality, religious beliefs, social status, disability, or political opinion. The company set the process to facilitate all shareholders to attend the meeting and provide the opportunity without limitation as following details.

1. The rights to attend the meeting

1. The company provides the opportunity to propose agenda and /or to nominate the candidates to be elected as Directors in advance.

The company establishes rules including setting procedures, guidelines for consideration is following; The shareholders holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and to nominate the candidates to be elected as Directors in advance in accordance with the criteria specified by the company to give shareholders the opportunity to participate in the corporate governance or supervision of the company.

For the 2021, Annual General Meeting, the company has disseminated the above procedure via company website www.pg.co.th under title "investor information" during 1st -30th December 2020. The company has informed shareholders via SET news system since November 17, 2020.

Nonetheless, there was neither meeting agenda nor nomination of the Directors proposed prior to the shareholders' meeting date of 2021. The company secretary reported to the board of director for acknowledgement.

2. For foreign shareholders, the meeting notice with attached documents were translated in to English and sent together with Thai Version. The notice both Thai and English version were disseminated via company website.

3. The voting right depends on the number of shares held by shareholders, one share, one vote (all of the Company's shares is Common Stocks).
4. In 2021, the Company had held one shareholders' meeting total 1 time on 27th April, 2021 comprising all 12 Directors attendance. The meeting's resolution was to assign Thailand Security Depository Co., Ltd. (TSD), Company's Registrar, to send the Notice of the Meeting of Shareholders, 21 days in advance and announced 30 days prior to the meeting in the www.pg.co.th under the section " Information for investors " for downloading, in order that the shareholders could have more time studied the information.
5. To facilitate shareholders, if any shareholders could not attend the meeting, the Company allowed them to authorize the Independent Directors or anyone as the proxy of voting rights by using the letter of proxy Form B with voting recommendation, Form A, or Form C (for foreign investors with custodians in Thailand to oversee their stocks). The letter of proxy should be attached with the Notice, and announced in the www.pg.co.th for downloading.
- Moreover, to facilitate shareholders, The Company also provided the revenue stamps for the letter of proxy. (Free of charge).

For 2021, Annual General Meeting of Shareholders no.42nd was held on 27th April, 2021

	No. of Share holder	No. of Shares	Percentage
Number of shareholders	<u>784</u>	<u>96,000,000</u>	<u>100.00</u>
No. of shareholders who attended the meetin	65	71,551,306	74.53
Shareholders attendants	29	5,420,984	7.58
Proxies	36	66,130,322	92.42
- Proxy to Independent Director / Audit committee	5	549,666	0.83
- Proxy to individual	31	65,580,656	99.17

6. The meeting is conducted according to the order of the agenda items; there is no reshuffling of agenda items, nor any change made to material information without notifying shareholders in advance.
7. Votes were cast openly. Voting on each agenda is made by barcode system; voting card and ballot were prepared for all shareholders. In vote counting, only votes for disapproval and/or abstentions are counted and there are deducted from the total shares represented in the meeting.

Except the director election agenda, the company shall collect the signed ballot from all attended shareholders.

In 2021, ballot papers were used in all agenda including important agenda, such as the appointment of Directors where in the shareholders were given an opportunity to select Directors individually. In the interest of transparency, the ballot papers for such votes were kept at the Bangkok Head Office, which could be inspected after the meeting.

8. After the meeting, the minutes of Annual General Meeting of Shareholders for 2021 were also published on the Company website in both Thai and English within 14 days. The minutes contained adequate data included questions and answers happened during the meeting. For unattended shareholders, they can review the minutes via company website. The company also disseminated VDO recorded and pictures on its website.

2. Supervision of Internal Data Use

The company has a measurement to the use of insider information by determining in the company's code of business ethics for itself and shareholders and determined in the employee ethics; moreover, Directors, executives and employees must perform their duties with honesty, responsibility. Having discipline and good conscience for the public and for oneself they must be individuals of integrity, accountability and moral consciousness. Under no circumstance should they exploit their authority for the benefit of themselves and / or others. All relevant employees must protect the interests and the company's asset. They must not use company information or assets for benefit of themselves and/or not to engage in any action which assists any individual in business that competes with company. The code of business ethics were distributed to directors, executives and staff, also disseminated via company website in order to be a guideline for conducting business and being a principle of work.

Besides, regulation regarding operation is determined including the discipline punishment which all directors and staff are aware of this and act accordingly

In 2021, no share trading with the internal data use by Directors and executive officers of the Company was found during the prohibited period.

3. Determination of Company Stock trading

The company determined that Directors, Executives and Staff in possession of insider information are prohibited from selling or purchasing company share within one month before disclosing the financial statements to the public Besides, Directors and executive (Including spouses and underage children) ,which is responsible for reporting securities holdings if the company's shares are traded, are required and notified of their duties to report changes in securities holdings in the Company to the Office of the Securities and Exchange Commission within 3 working days of such changes together with the submission of a copy to the Company Secretary in order to report to the Board of Directors in the next Board of Directors meeting. In every Board of Directors' meeting, there will be an agenda of securities holding of Directors and executive officers which is a duty to perform and implement as specified. This shall include the directors and executives when he first took up the new position and report of holding the Company's securities to the Securities and Exchange Commission (SEC).

Company secretary annually arranges the board of director meeting schedule which is sent to all directors in advance in order to inform the period when securities trading should be abstained.

Although, Company secretary arranges the notification to related person for acknowledgement in prior the blackout period.

In 2021, Directors and executive officers of the Company had observed strict compliance with the said policies. No share trading was found during the prohibited period.

With regard to the principles of buying selling company' stocks, the Directors and Executive Directors

are requested to inform the Board of Directors and/or the Company Secretary before carrying out the stock transaction at least 1 day.

4. Protection of the Conflict of Interest

1. With the transparent structure of shareholding, there is no report of the conflicts of interest. Meanwhile, the disclosure of shareholder structure has deliberately shown in the annual report as well as the overall shareholding of the Board of Directors.
2. The board of directors proceeds carefully and rationally with regard to conflict of interest and connected transaction. The company most concern on its benefits and set pricing strategy in compliance with fair trading conditions as if the transactions are engaged with third party. The process of such transaction is managed transparently and compliance with the regulation of the Stock Exchange of Thailand. Furthermore, the company set the regulation in its good corporate governance and business ethic binding upon company and shareholder.
3. The company has disclosed information to ensure equal access to information such as connected transaction. The company has performed according to announcement of The board of Stock Exchange of Thailand regarding the disclosure of information and operation of registered company on connected transaction.
4. Designated directors who have interests in the agenda must leave the room and refrain from voting on such agenda. Then, others directors can express the opinion and vote independently The company secretary shall inform the name of interested directors to the meeting. After the meeting, there is disclosure of the name of related person, relationship of connected person, pricing, transaction value and different opinion of directors (If any) shall be reported to the Stock Exchange of Thailand within requiring time. Besides, such details will be disseminated via company website for transparency including recorded in the minute of the meeting for examination.

Cross-Shareholding ratio; While the company allows the structure for cross-shareholding, nevertheless, such cross-shareholding is not of the nature conflicting with nor contradicting to the announcement by The Capital Market Supervisory Board, no. Thor Jor. 28/2008 regarding “the permission request and the permission to offer newly-issued shares” (The details of cross-share holding are disseminated under topic “Structure of Shareholding”

5. Asset purchasing control

The company controls purchasing of asset in accordance with the regulation of Capital Market Commission subjected “The acquisition or disposition of assets”. The directors who have an interest on such transaction are not take part for making decision for transparency and fairness.

In 2021, the company had transaction on acquisition or disposition of assets. Such transaction was made with related person. However, the company made the transaction in according to the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

Chapter 3: The Roles of stakeholders

The Company attaches importance and has clearly laid down policies for the treatment of each stakeholder group based on business ethics in order to be a guideline for directors, executives, and employees which is based on the basis of fairness and balance of the mutual benefit sharing. It is considered as the duty and responsibility of all directors, executives and employees must be informed for understanding and perform strictly to comply with the guidelines. This is to ensure that all stakeholder groups are protected rights and treated well. In this regard, the company established its good corporate governance policy which comprises Good Corporate Governance, Business ethics and Conducts for Management and Employees Policy. To ensure stakeholders' equality, the policies are also disseminated to all directors and employee to be adhering as criteria for treatment of all stakeholders.



The Company has disclosed "Business Ethics" under the subject "Good Corporate Governance" on the Company's website,

1. Shareholders

The company valued the shareholders as a business owners then it set company director as a representative of shareholders. Company executives and its staff duties on running business in accordance with good corporate governance for the most benefit and value to shareholders in long term. The Company respects the basic rights of shareholders as provided by the relevant laws and regulations. All shareholders are treated equally. The Company aims to create the greatest satisfaction for shareholders by taking into consideration the sustained growth of the Company and reasonable, fair and consistent returns, as well as a transparent management system and a reliable accounting system. The company maintains its assets, controls related transactions have the criteria for protect conflict of interest and misuse of internal information. Shareholders can believe that they will have correct information. (The details regarding shareholders rights are shown in chapter 1 "shareholders rights and chapter 2 "Equitable Treatment of Shareholders")

In 2021, the company has paid dividends at the rate of 0.10 baht per share, which is paid from retained earnings that the company has already paid corporate tax at the rate of 20 percent on May 25, 2021, in accordance with the company's dividend payment policy.

Moreover, the Company has made quarterly reports of operational results and disclosed transactions with connected persons under similar terms to third parties via the press release system of the Stock Exchange of Thailand and the Company website.

2. Employee

All employees are considered the great and value assets of the company to achieve its business aspiration and organizational goals. The company is determined to help make its staffs feel confident and proud of the organization. It treats the employees with equity and without preferential treatments. It supports and enables a collaborative environment conducive to generate new innovations and technologies to advance their work. The company's fundamental policy is to foster unity, confidence, and trust among staffs, as well as to treat one another with respect, dignity, based on the individual rights. The company

will consider the appointment and transfer of staff based on merit and the use of resources for highest benefits to company.

The Company has strongly intended to develop and enhance personnel's knowledge and skills based upon the integrated knowledge to serve the immediate current change of economy and technology. Company establishes stability in career and gives opportunity to success in career accordance with each potential. Employees are allowed to participate in setting direction and operation. Remuneration and welfare benefits are provided suitably and fairly as well as proper with employees' achievement, knowledge, responsibility, and performance. (The details are shown in "Management Structure under topic employee")

The remuneration and welfare for employees

The company pays wages to employee by fairness treatment suitable with knowledge, capability, duty, and responsibility. Besides, the company has appointed the welfare committee to give opportunity to employees in taking part in the welfare management, and doing activities. Employee have communication channel set by the company to make suggestion or identify any working problem. (The details are shown in topic "the communication channel for Employee")

Remuneration to employees

The company has its policy to pay employees remuneration appropriately both short term basis in compliance with annual performance also compare with same business and long term basis which employees will be clearly measured their performance and potential. The company establishes stability in career path and gives opportunity to success in their career as well as properly manage others welfare to employees.

Provision appropriate welfare to employee

The Company has established the Provident Fund for employees' long-term benefits to promote the money saving for their future as well as to persuade employees to loyalty work for the Company. For members of the Provident Fund, they will monthly receive 3-5% of the wage as monthly contribution, and they will also pay the same amount deducting from their wages for their accumulated fund. When the employment is terminated, the employees will receive accumulated fund, contribution and the net profit of the fund.

The Company enhances and encourages all employees to be participated in organization development. **There is an election of welfare committee (2 years term)** to be employee representative and center to cooperate between employee and company. The committee is for helping and reliving employees' trouble besides welfare benefits provided by company. The welfare committee also gives consul and listen employees' opinion.

The company pays attention to welfare and employees' safety. As a results, company set welfare and basic benefits in compliance with Laws such as holiday, annual leave, including social security, compensation fund, and provident fund. Said benefits are continually advertised to employees.

Welfare of the employee				
Development of employee	Living-Cost of Employees and Employees' family	Welfare of Employee saving and Future Security Promotion	Health Welfare	Welfare on Sports and Recreation
Promotion of education during working hours and after working hours	Establishment the welfare shop selling saving-price consumer products with reasonable price.	The Credit Union for SAHA group employee	Clinic with doctors, nurses, medical equipment and medicine	Sport Events to foster good health, unison and good relation.
Training constantly on working knowledge, conducted by the Company and others	Organized welfare by joining with Co-operative of Lion Co., Ltd. (Thailand), Giving employees the right to purchase products at employee benefits prices	The Provident Fund	Project “Muscle Stretching” for employees of every branch in preventing working disease	
		Saving Project in association with the Government Savings Bank		
Provision of library, video, internet corner and intranet system in the organization	Provision of hygienic canteen with reasonable price	Provision of pension for the retired employees	Medical Checking and tests for the breast cancer, cervical cancer, and etc.	Sports Club in association with I.C.C. International PLC.
	Provision of uniform for both daily and monthly employees	Housing loans in coordination with the Government Housing Bank		
	Transportation allowance; vehicle and gas	Granting Awards and souvenirs to the employees complete working for 10, 20 and 30 years	Health examination regarding working risk factors.	
	Provision of welfare for accidents, the death of parents and spouse, Including the allowance when the employee pass away		Visiting sick employees	
	Scholarship to employee’s child in SAHA Group			

Knowledge and Potential Development of employees

The Company has a policy in encourage employees to have business capabilities, leaderships , team-work , knowledge and skills. The training is based on actual performance under teaching from supervisors (coaching) such as learning from practical work (on the job training). As a result, employees have new experiences from colleague including learning through the classroom (Class room training) from internal speaker and outside. On average, each employee will be trained 5.04 hours per person.

Work Safety and Occupational Health

Safety, Occupational health and working environment Policy

The company attaches importance to the healthcare, safety, and working environment which are a part of success and cannot be separated from working. Employees and workers need to be safe and have good hygiene under working environment. Thus, human resources are the most valuable resource for the company.

The company establishes occupational safety, health and working environment policies and also set the security team consisted of Safety Committee Occupational health and working environment (CSO) to take care of this particular task including continuous follow up. The Company communicates to all employees and workers to involve in the following actions.

- The company will promote safety working and preserve environment.
- The company will support safety working and provide safety tools including arrange safety workplace along with educating and motivating employees to work safely.
- The company set the policy for all commanders to take care and control subordinates to work in accordance with safety regulations and rules which the company determined strictly.

Besides, the company also disseminates news regarding disease protection and health care via exhibition activities, public relation board, voice line and intranet system.

According to proactive measure to prevent accidents, there have been no accidents from work and no loss time injury as well as no sickness or disease from work. The Company has received honor Platinum award for 6th years **(no accident and no loss time from injury 87,218,864 man hours consecutively)** in “Zero Accident Campaign” in 2021 from Ministry of Labor for consecutive twelve year and has been awarded for outstanding establishment in safety, occupational health and environment for 2021 as 7th year with Diamond Level from Ministry of Labor.

Channel for Employees’ Communication

Besides, the channel for complaint for stakeholders, the Company has provided a channel of communication for employees to make suggestions and identify problems between the employees and their superiors by way of a suggestion box of the Welfare Committee / telephone number 02-685-6518 or via intranet system. In addition, The welfare committee will receive complaints and summarize suggestions and other issues to propose to the Executive Committee and others of the relevant board respectively.

The Company has determined the Measures for the Protection of complainant including those who cooperate in the investigation will be protected from unfair practices due to the causes of submitting complaints such as disturbing the operation, Change or promote the job position, termination of employment, and etc.

In 2021, these suggestions would be considered and implemented in order to maintain good relationships between the parties, including hearings of opinions and suggestions from all employee levels equally and the complaint will be operated by using process that do not affect employees who report the clue which has been kept as a secret of the company.

3. Customer

The board of directors emphasized the importance of creating and maintaining customer then they set the business policy that company will run its business with honesty, no violation of clients’ rights, equitable treatment, fairness compensation and on time delivery and reasonable price.

The policy of response customers’ satisfaction has been implemented to comply with the agreement leading to the business achievement by complying with the conditions agreed with the customer (The details are shown under “Nature of Business”).

- The Company also provides customer the recommendations, adequate and precise information, quick response, and confidentiality without misusing it. The company shall not take the customers’ confidentiality to use for its advantage or related parties.

- Commitment to create new innovation continually in order to deliver products and services to satisfy customers' needs in both of quality and fair price with safety, environmental friendly and sustainable growth in accordance with the company's quality policy "To be engrossed in producing quality products, delivering on time and continuous improvement".
- The Company recognizes the importance of keeping trade secrets. Do not apply for its own interests or those related parties.
- The company focuses on providing useful information to customers with clearly labels and beyond required by laws.
- The company provides communication channel for customers who may have questions, information, opinion to express and notify as following;

	Telephone Number	E-mail
Business 1 Division	0-2685-6535	nutchapunporn@pg.co.th
Business 2 Division	0-2685-6565	photchamarn@pg.co.th

In 2021, there were no significant complain from customers, for other petitions were analyzed in order to prevent, monitor and adjust to our organization. In order that such defects will not happen again.

4. Business Competitors

The Company has policies to treat its competitors which do not violate the trade secrets of competitors by fraudulent methods. The policies are as following;

- The Company operates its business in fair manner followed the agreement of competitors with fairly under the framework of the law and business ethics.
- The company do not seek the confidential information of competitor in a dishonest or inappropriate manner.
- The Company will not conduct any malpractices in eliciting secret, defaming, or accusing business competitors without the true information
- Support and promote free trade, being fairness not to monopolize or requiring customers of the company to trade with the company only.
- Not doing anything that is a violation of the intellectual property of competitors

In 2021, there was no any dispute about business competitors

5. Business Partners

The Company realized the significance of impartial and fair treatment with business partners. On the basis of fair business return, the business partner will not disgrace the Company's reputation nor commit any violations.

- The Company has a system for screening trading partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards, and friendliness to the environment.
- Procurement process is an important process in managing cost and product quality for maximum benefit to the company. Therefore, it has criteria and systems for evaluating and selecting partners

and monitoring operations through the system “Approved Vender List” according to ISO 9001 criteria.

- Supporting environmentally friendly procurement and avoid buying products with partners who violate human rights or violate intellectual property including not doing business with partners who have unlawful behavior.
- Apart from the business agreement, the Company shall not request, gain or accept money or other benefits.
- Focusing on building relationships, good cooperation, and product development in coordination with partners to enhance the potential and efficiency of business operations in the long term under a “Win-Win” situation.

In addition, Procurement procedures were prepared as a business manual in order to provide fairness to business partners based on good corporate governance. (the details are shown under topic” nature of business”).

6. Creditor

The Company observes and adheres strictly to its debt obligations along with the fostering of good relationships with debtors. Mutual confidence and trust is promoted by strictly punctual repayments to the debtors. Moreover, the company does not use fraudulent methods or conceal any information or important facts That may cause creditors to be discredited.

The company applies Media clearing, transferring system of Bank to facilitate all creditors

- Billing Date During 5th - 11th of each month
- Transferring Date Every 25th of each month

In 2021, The Company meet the payment term which paid to trade account payable, and never been complained of default during the previous year and at present, **at present the company does not have any**

7. Labor

Company oversees and monitors that the operations of all branches do not employ illegal labor.

8. Do not related to any Human Rights abuses

The company realizes and attach importance of human rights as basic rights. The company conducted its business with strictly respect to law and human rights. It plays importance part of increasing human resources value counting as significant factors for business in adding more value and efficiency. The company do not discriminate. It promotes equality in organization, respect the democratic political rights, non-racial, religious, social, non-child labor and anti-sexual harassment.

- Provide knowledge and understanding of human rights principles to employee, and the company does not support businesses that violate human rights principles.
- Give the right to employees to argue for proving guilty or corruption, and no unfair of job termination.
- Arrange communication channels for employees who believe their rights have been violated or treated unjustly can complain to the company, and the complaint should be composed and conducted fairly

Throughout the duration of the operation, the company has never treat employees unfairly and never had a case to the court in the matter.

9. Political Rights

- The Company promoted both executives officers and employees to exercise their political rights with respect to the Institution Law and other relevant laws.
- The Executive Officers and employees cannot convince their colleagues and subordinates to support any political activities directly or indirectly

10. Government

Businesses are carried out in strict accordance with the provisions of laws and regulations of supervisory agencies, thus fostering good relations with state agencies. Cooperation is given in terms of providing accurate data as requested by the state agencies. The company makes accurate, full and timely tax payments according to the laws including value added tax, specific business tax, withholding tax, household tax, custom tax, exercise tax and corporate income tax.

11. Society and Community

The Board of Directors has raised awareness on corporate social responsibilities to the Executives and employees through activities. It aims to better the quality of life and increase social benefits for the communities of which operated business. This is regarded as the way to benefit society.

- Acknowledging people in the society and communities on the business operation as well as social responsibility with disclosure information to fostering better understanding
- Organize activities that truly benefit the community and society such as organizing career training (sewing) for the group of housewives , granting scholarship, and money donation to the foundations, non-profit organizations, hospitals, and religious events.

Take advantage of resources economically with the least impact on the community and society. The company has complied with the standards. Social Responsibility of Factory Operators (CSR-DIW), which is a project to promote enterprises operating on social responsibility of the Department of Industrial Works. Ministry of Industry. To encourage entrepreneurs to operate their business to be accepted by the surrounding communities as well as increasing the ability to compete and create sustainable growth which the company follows and practices continuously (Details of policy compliance are shown in “Corporate Social Responsibility Reports”)

12. Environment

In compliance with the Law

To ensure environment and safety performance, The company attaches importance to its role in maintaining the environment and preserving natural resources. The business operations have been taken into account impact on resources and the environment. The company work on environmental and safety in management of hazardous waste, wastewater and noise which conforms to international standard ISO 14000:2015 including good practices. The Board of Directors realized the significance of undertaken the business in accordance with laws, regulations and policies on the environment regarding the impact on natural resources and the environment and regular revisions and assessments of performance which are considered as one of the essential policies in the company’s mission statement, including a policy to select and promote the use of environmentally friendly products

- Employees throughout the organization are continually encouraged to have a conscience on re-

sponsibilities to the society, communities and the environment by arranging event and activities regarding environmental preserving via the meeting , training, seminar and media channel

- Continuing to develop and improve production process, machinery, and technology in order to reduce impact to environment and community
- Developing textiles and garments which are environmental friendly which being a part of reducing global warming such as Cool Mode / I-Flex and clothing with energy saving label no.5.

With our commitment and policy to run the business together with taking care of the environment, all factories of company received the certificate of the Environment Management System ISO 14001:2015 of design process and production of Men's wear, Ladies' wear, Swimwear, Children's wear, and knitted fabric from United Registrar of Systems (Thailand). Moreover, The company participated in the enterprise establishment inspection program, to be promoted to green industry certification level 4. As a result, the company received the Green Industry Certificate, Level 4, Green Culture from the Ministry of Industry in on 21st December, 2020.

Moreover, Environmental quality and Safety report was stored in systematically and regularly monitored from Security Agency Occupational Health and Environment. The company send such report to the related governance on time specific by regulations and law.

Promotion on Effective Utilization of Resources

The company encourages efficiently use of resources in every business operation production process for the most benefit with realization the impact to environment. The company declares the energy saving policy and set up the energy and environment conservation committee to work on energy management in comply with energy saving policy

Encourage employees to use resources efficiently and cost-effectively and to provide a control system for energy use as well as creating awareness among employees throughout the organization to continually participate in saving energy in all aspects, including electricity, oil and water supply for both at the workplace and in the household including educating about energy saving and be aware of the impact of global warming.

- Promoting an environmentally conscious production process which focus on energy conservation and waste management both in factories and offices Such as installing the Peak Demand Control System to control the use of electrical energy. Installation of energy-saving air-conditioning systems (Evaporative) the use of energy-saving lighting devices, "LED lamps" which provide brightness without heating and no need for mercury vapor and fluorescent fluids like fluorescent lamps or compact-fluorescent bulbs (CFL); moreover, there is no heavy metal substances that are problem and impact to the environment and it has a lifespan of up to 50,000 hours etc.

In 2021, the company initiated a project to install a solar cell system to produce electricity by installing at the car park area and Lamphun branch factory .The solar cell system can provide renewable energy in reducing the use of electricity by 700,992 units per year, and can also reduce carbon dioxide emissions by 275 Ton Co2.

- Develop of IT system called "Workflow" to replace the use of paper for office and factory, and VDO conference meeting.

The company continually develops, improves and/or changes its production processes or products in order to use raw materials, energy and natural resources to be efficient according to the principle of "Clean Technology", it is the use of resources for maximum efficiency and to minimize waste, which is to conserve

the environment and reduce production costs simultaneously. Moreover, It also helps to reduce the impact or risk of pollution to humans and the environment to be a minimum level.

Arrangement of Training Course with Knowledge on Environment for Staff

The Company aware of environmental conservation by encourages executives and staffs joining the Global Warming alleviation campaign, sign board, voice line, and company intranet. The documents regarding environmental concern are provided in library room including set the event both inside and outside the Company continuously. These are example for training programs and other projects for employees to be attended.

The Company organized a training course on “Energy and Environment Conservation” to create awareness of systematic energy conservation and awareness of the important impacts for the Company’s employees.

Regarding the company has assigned employee to join the training on the energy consulting project with the Electricity Generating Authority which is a cooperation project to increase energy efficiency which can reduce energy used by 5%, resulting in employees improving management knowledge for using electricity correctly and to be effective continuously.

Policy to Abstain from Intellectual Property Infringement

The board of directors realize the importance and adhere the business policy not to relate with Infringement of intellectual property and the mimetic or intellectual property rights of others and not to use it in business without permission. Business undertakings shall be consistent with laws, regulations and contractual obligations governing intellectual property rights. With our policy to operate business based on ethical conducts and integrity principle as a guideline for executives and employees to clearly acknowledge, and to consider products and services to be used for business operation such as Product, Equipment, Tools, or Information technology and etc.

The company prohibits any type of intellectual property infringement as following practices;

1. All employee duties to protect and maintain confidential of company’s intellectual property, do not let the information disclosed and do not using any company intellectual property in personal or others without permission.
2. All employee must respect and honor others intellectual property and do not use others intellectual property work or even just a part of its work by without permission of owner.

Trademarks

Foreign trademark The company has a policy not to infringe on intellectual property rights. Do not infringe or use the work of others for personal gain unless permission or compensation is given to the owner of the work

The Company has been licensed for trademarks of International Brand, so we strictly honor all trade agreements, especially for International Brand, insist on legitimate business and not violate copyright. Foster the idea of anti and stop using any copy products to the employees.

House Brands The company adheres not to engage in intellectual property infringement, by creating our business innovation on our own, so we encourage staff to create innovations in terms of products and services as well as joining hands with customers, trading partners and government to invent and develop

high quality products and services to meet the demand of market and customers. The Company is the registered owner of various trademarks through the Department of Intellectual Property, Ministry of Commerce. Accordingly, the Company sold our House Brand products, which were our trademarks, in abroad and we already registered that trademarks with the registrar.

Furthermore, the company also encourages employees to send their innovative products to the Chairman Awards contest on a regular basis for consecutive 17 years. The award-winning products each year bring pride and inspiration to employees that always continue creating innovative products.

Computer software usage

The company has a policy to use the computer network of the company correctly and appropriately and also the use of computer programs that are legally copyright, which the company has issued regulations, guidelines for everyone in the organization as follows

- Will not use the computer program to conduct any activities that are not against the law, nor that would result in losses for other individuals.
- Will not use the computer program to act contrary to the public order or the moral values of Thai people.
- Do not use a computer network to send the document or take any other action in the manner of infringement of the intellectual property of others.
- Computer networks shall be used to search information for work, or to find useful knowledge to improve work efficiency only.
- Install only legally copyrighted software program onto computers.
- Do not install a computer program that violates the intellectual property rights of others

In 2021, the company has never committed any intellectual property infringement or trade piracy.

Policy and Guideline on Anti-Corruption and Anti-Bribery Practices in Business Operation

The board of directors has policy to perform by anti-corruption laws. In this regards, the company set its anti-corruption policy and practice in business ethics as well as raises awareness, value, and good attitude of its executives and staffs toward honesty.

The company has a policy of against all forms of bribery and corruption. Directors, executives and employees are prohibited from accepting or supporting all forms of corruption both direct and indirect including perform their work by practices, law, announcement, and related regulations.

The company passed the membership renewal certification from Private Sector Collective Action Coalition Against Corruption Council : CAC regarding Anti-Corruption since November 4, 2019.

Risk assessment

The company has established guidelines for monitoring and evaluating the implementation of anti-corruption policy by providing a risk assessment for corruption and bribery as part of the section that requires periodic monitoring by the Risk Management Committee.

In 2021, risk management committee assessed the potential of corruption by assessing corruption risk out of with others risk as there are risk management team (compliance unit) to monitor by following risk assessment practices.

Training and communication

To be a guideline for anti-corruption and communicate to directors, executives and employees at all levels for acknowledgement in their duties and responsibilities for operation and implementation to achieve maximum efficiency. Moreover, All employees are required to receive various training courses which are related to the prevention of corruption.

In 2021, the company continuously communicate and arrange training to its employee on policy and practice of anti-corruption including related policy such as business ethics, receiving gifts or customer reception. Every employee can reach such policy via intranet system and communication board. The company also communicate anti-corruption policy to its customers, business related, and business representatives via appropriate channel for having same practices and acknowledgement via company's website.

Practices on governance, prevention and monitoring risk from corruption

The company prescribe anti-corruption practices regarding governance and monitor risk from corruption as following;

1. Provide examination process, assess the internal system, manage risk regarding priority work such as purchasing system, sale system, accounting record system, payment system etc. These are to prevent and monitor risk from corruption including provide appropriate opinion on solving guidelines.
2. Provide channel for receiving information on clues, complaints, offenses, violations of laws, regulations, or anti-corruption policies. The policy protects the contributors or clues and keep contributor's details as confidential. The company also determine the penalty and act by related laws. If the company can contact the complainant, The company will inform the results in written.
3. The head of the relevant department is responsible for monitoring the implementation or improvement of defects (if any) and report to the supervisor accordingly.

Guideline on governance, prevention and monitoring risk from corruption

1. All directors, executives, and employees must regularly follow "Corporate Governance Practices" which cover all practices regarding good governance, business ethics, director code of conduct, anti-corruption policy.
2. Provide internal audit to monitor internal control system, manage risk, corporate governance and provide appropriate feedback. The internal audit reviewed the annual audit plan approved by the Audit Committee and reported the significant results and recommendations to the Audit Committee.
3. The Risk Management is responsible for assessing the risks of corruption, implement effective anti-corruption as well as regularly review, improve and against corruption. The results are presented to the Risk Management Committee and report to the Board of Directors, respectively.
4. If any investigation found, and there is evidence that the complainant is guilty and there is penalty action in disciplinary (if any). Upon conclusion, the investigating committee shall report the findings to the Audit Committee, Corporate Governance Committee to proceed appropriately.

Policy and Principles of giving or receiving gifts or other benefits

- The Company allows the Executives and employees to give or receive gifts on special traditional occasions, which have no influence on the decision-making in business operation. In other words, giving or receiving gifts has been done with transparency.

- Gifts should not be costly, not in forms of cash or anything appraised as money.
- In case of receiving gifts or others on special occasions from business partners, the Secretary will record list of gifts and report to the Board of Directors.

In 2021, the Executives and employees have sent all gifts to the Secretary to allocate them to the employees under the project of “From Business Partner ... To PG” to foster their pride for being a part of organization achievement.

Measure for the Protection of complainants (Whistle Blowing Policy)

The Company provides channels for complaints and clues both inside and outside the Company. They also deal with the appropriate complaints. The protection and confidentiality of the complainant is as follows.

1. Notification of Clues

The Company provides channels for reporting clues or complaints in case of suspected illegal activities or behavior that implies corruption or the offense against anti-corruption policy via the following channels:

- Company’s website : www.pg.co.th
- Email or telephone

Units	E-mail	Telephone
Chairman of Audit Committee	kachornv@hotmail.com	-
Chairman of Corporate Governance Committee	santibangor@yahoo.com	-
Secretary to Audit Committee	pgaudit@pg.co.th	0-2685-6533
Company Secretary / Investor relations	suvimol@pg.co.th	0-2685-6509

- **By post:**

**To Chairman of Audit Committee / Chairman of Corporate Governance Committee /
Company Secretary / Secretary to Audit Committee**

People’s Garment Public Company Limited
666 Rama 3 Road, Bangpongpan, Yannawa
Bangkok 10120

- **By Telephone number : - Company Secretary** 0-2685-6509
- Secretary to Audit Committee 0-2685-6533
- **By Fax** no. 02 294-5159

2. Complaint Processing Process

After getting clue or complaint, The company will conduct a preliminary investigation then forward to the Investigative Committee to carry out the collection, processing, examination and conclusion of measures to implement. The investigation results are reported to the Managing Director, Chairman, Executive Committee, Audit Committee Corporate Governance Committee and the Board of Directors, respectively. The company also notify such results to the complaint for acknowledgement.ดำเนินการดังกล่าว

3. Protection measures

This is to protect the rights of the whistle-blower / complainant and the co-investigator from unfair treatment as a consequence of the complaint, e.g. disturbances during work, reassignment or termination

of employment. The Company will not disclose any information, or identify documents of whistle blower unless required by law. The company prescribes protective measures in case of insecure or may be damaged. Those who have suffered or damaged will be relieved with proper and fair procedures.

In addition, the Company provides the opportunity to stakeholders to express their opinions, suggestions, as well as complaints through channels and activities organized by the Company, for example, the Annual General Meeting of Shareholders of the Company and event Analysts and investors found Saha Group, which questions, comments, suggestions and complaints will be forwarded to the relevant authorities to take corrective and improving actions to meet the requirement of all stakeholders. If company found any person who committed a wrongful act on company code of conduct, anti-corruption policy will be disciplined according to the company regulations or be punished by the relevant laws.

In 2021, business operation, there has never been action taken against a later-than stipulated announcement of information, a violence of labor law or any other law related to employment, consumers, business competition, and environment. There also has also never been any claim or petition made by stakeholders.

Chapter 4: Disclosure of Information and Transparency

Disclosure of Significant Information

The board of Directors attached importance to disclosure of significant information, both financial and non-financial information or information that might affect the company's share prices, to all shareholders and interested investors in complete, accurate, and equitable manners. The company disclosure the information through channels that are easy to access information Equally and reliably in order that shareholders and interested investors to know important information of the company correctly, completely, quickly, timely, transparently, and with the same quality.

The disclosures are easy accessible and diverse channels to all stakeholders and party. Have all such information published in both Thai and English version on the Website of the Stock Exchange of Thailand and the company's Website, www.pg.co.th, in order to engender the confidential as follows:-

1. Corporate Governance: The Company arranges and disseminates the good corporate governance policy and principal, business ethics, and code of conduct (Revised edition), in writing and provide to all directors, executive and staff including public relation billboard, company intranet system, and company website (www.pg.co.th) **including policies and practices against corruption and social responsibility policy**

In 2021, the results of performance according to the corporate governance policy were reported in conformity with the good corporate governance principles set by the Stock Exchange of Thailand, and publicized via the annual information report form (Form 56-1), the Company's annual report (Form 56-1 One Report), and the Company website www.pg.co.th

2. Disclosure of Importance information regarding financial and non-financial The Board of Directors has carried out the disclosure of the Company's significant data, including financial data and nonfinancial data as required under the Regulations of the Stock Exchange of Thailand and the SEC. Such disclosures were accurate, complete, timely and transparent, having been reviewed under the prescribed procedures. The information was published in both Thai and English via channels of the Stock Exchange of Thailand (www.set.or.th) and the Company website (www.pg.co.th) in both Thai and English, which are as follows:-

2.1 The information shown in the report (Form 56-1 (One Report) and Annual report of the company: - The Company annual report was transparently and completely disclosed in every

aspect, according to the Criteria of Disclosure of the Stock Exchange of Thailand and the Securities (SET) and Exchange Commission Thailand (SEC). In order to provide shareholders information in making the investment decision, the information has regularly been updated which was published through the Company's website.

In 2021, the Company has not been charged on any violation of SET or SEC Criteria of Disclosure.

2.2 Regarding the annual budget and quarterly budget, The Company has prepared the financial statements which passed the process of reviewing from the company auditor and approved by the Audit Committee and the Board of Directors before disseminating to shareholders and sending to SET and SEC. It is disclosed to shareholders and investors before the due date also disclosed significant information required in the notes of financial statements. Management discussion and analysis were disclosed on quarterly financial statements. Shareholders and general investors can use such information to make investment decisions.

2.3 Quarterly Financial Report The Company reports every quarterly financial operation results in case of the net profit of latest financial statement changes more than twenty percent from the same period of last year. The Company has prepared the explanation and analysis of Management (Management Discussion and Analysis: MD&A) for the disclosure of the financial statements every quarter to keep investors be informed and understand the changes that occur to their financial position and performance of the company besides the numbers in the financial statements only. The company also disseminated analysis of quarterly operation via SET system and company website.

In 2021, financial statements both quarterly and annually in Thai and English version are disseminated via company website and can be downloaded. The Company financial statement was certified by Company Auditor with no conditions, though Company Auditor remarked that the Company sent financial statement to SEC and SET on time and not ordered to correct. There was no action from disclosure the information which does not meet requirements

3. Report on the Board of Director' Responsibilities with respect to the Financial Statements :

The Board of Directors appreciates the significance of preparing an accurate and complete financial statement in accordance with accounting standards. The disclosure of such data have been reviewed by independent auditors and approved by the Audit Committee and Board of Directors before publication to the shareholders. Also, in order to secure confidence, the Board of Directors have prepared a report on the responsibilities of the Board of Directors to the financial statements, signed by the Chairman of the Board of Directors and the Managing Director, published in the Annual Report (Form 56-1 One Report) together with the Auditor's Report. Thus, investors are able to rely on such data when making decisions.

4. The Disclosure of Connected Transaction (Related Transaction) and/or the Entered Material Assets or Services Transaction: All these transaction should be approved by the Audit Committee and the Board of Directors so as to avoid any conflicts of interest. It should be carefully prepared for the best interest of the Company and shareholders. The company has disclosed the such transaction which has been considered and approved in complying with the rules of the Stock Exchange of Thailand and the SEC. Disclose the name of the person who made the transaction, relationship, characteristics of the transaction

and the value of the transaction in both Thai and English language to the Stock Exchange of Thailand, which they were presented to the SET in both Thai and English languages, and disseminated in the Company's website, annual report and (Form 56-1 One Report) of the company, according to the regulations of SET.

In 2021, the Board of Directors has approved the connected transactions for 2 companies and 1 asset disposal transaction which has complied with the prescribed rules, including transactions not exceeding the approved limit. Details are provided in the section "Connected Transaction. (Related Transaction)

5. Designated the company directors and executive directors must report transaction of stock trading and stock holding including related persons such as spouse and underage children: by arranging the report in accordance with laws which is related to person who hold the position of director and executives and the transactions must be reported to SEC as following;

- 5.1 Report of company stock holding when first time of being appointed as director or executive. Using form 59-1 and the report need to be submitted within 30 days counting from the day of being such position.
- 5.2 If there are any changing in stock holding such as trading or transferring, use form 59-2, the report must be submitted within 3 days counting from transaction date.
- 5.3 The company will show directors and executives name lists in form 35E-1 when first time of being the position. The report must be submitted within 7 days counting from the day of being such position.

Moreover, in every quarter, directors and executives including spouse and underage child are requested to report the company common stock holding to company directors for acknowledgement.๕

6. Designated company directors and executives including related persons must report their conflict of interest: which connected to company operation. The criteria and policy of disclosure are as follow:

- Report on the first office holding as the Director or Executive
- Report on any changes of stake holding data
- รายงานเป็นประจำปี
- Report at the end of year
- In case of termination and reappointment as the Director in a consecutive way, the Director shall not present new report if there is no change of stake holding.
- The Directors and Executives should present report of stake holding to the Secretary within 1 month after being elected/ appointed, and changes. After that, the Secretary will send the copy of report, within 7 days, to the Chairman of Board Directors, and Chairman of Audit Committee.

In 2021, the Directors and Executives have already reported their stock transaction Company' shareholding and changes of stake holdings (See details on "Shareholding and Management Structure")

7. Monitoring the use of internal data: The Company has implemented a measure to prevent the use of internal data. The stipulation on this issue is the company's business ethics under the topic of Conflict of Interest, and has been disclosed in the annual report under the title of Good Corporate Governance; the topic is "Chapter2: Equitable Treatment of Shareholders".

8. Policy on Corporate Social Responsibility (Social, Community, and Environment) The Company set the policy in its mission for practical guideline and substantial perform. This is a mission which all employees shall participate. Its details are provided in annual report under topic “CSR Report”

9. Communication between executives and Top-level management: Setting up meetings every month between the Executive Committee and chief executive officers of all work units have been organized in order to disseminate information on the organization’s business targets and business strategies. Communications are made to employees throughout the organization in order to share common understanding and practices in the same direction so as to achieve the business targets.

The President of the Board gave priority to attend the meeting and seminar with Executive Committee and chief executive officers of all work units annually in order to indicate concept, approach strategy and working philosophy, besides, to show opinions freely and encourage business operation for the purpose of the Company’s target. In 2021, the meeting was held every month.

Apart from financial report or other information technologies which are disclosure to the Stock Exchange of Thailand (SET) and Securities Exchange of Commission (SEC) via designated channels completely, precisely and timely, the Company also has revealed more information on several issues accordingly;

1. **The disclosure of structure of shareholding** including name of the first ten major shareholders as closing date in the annual report, and disseminated via company website: <http://www.pg.co.th>.
2. **The disclosure of company organization** in company’s website and annual report.
3. **The disclosure of shareholding of the Directors and Executives in the annual report**
4. **The disclosure of nature of business, company operation** and analysis of industrial trend an potential competitiveness, analysis of company performance, financial statement including company objectives and goal in topic “the nature of business” in the annual report.
5. **The disclosure of risky factors** in operating, types of risks, causes and effects, as well as guidelines to prevent or decrease risks in annual report.
6. **The disclosure of policy on distribution of dividend** in annual report.
7. **The disclosure of roles and functions of company directors and subcommittee** the number of meeting attendance individually in article no. 5. “the responsibility of company directors in annual report. The details of directors and executives are disseminated via company’s website.
8. **The disclosure of date and year of appointment** to be the directors that are presented in annual report.
9. **The disclosure of criteria of director nomination** and the assessment of director’s performance.
10. **The disclosure of the remunerations policy for Company Directors, Managing Directors, and Executives** by individually paid including type of payment, and the amount. The information are shown in article 5 “responsibilities of directors” in annual report.
11. **The disclosure of development and training course** that directors attended in the previous year.
12. **The disclosure of internal control according to the concept of COSO** revising framework in May 2013 as well as the result of internal control assessment, the results of assessment in 5 aspects with 17 principles, in the topic “internal control together with the corporate governance report from Audit Committee” published in the Annual report.
13. **The disclosure of whistle blowing policy** in Chapter 3: Roles of Stakeholders topic “anti-corruption policy” in the annual report.

- 14 **The disclosure of annual report and notice of the shareholder's meeting** in Thai and English on the company website within 120 days, which is able to download.
15. **The disclosure of charters, duties, responsibilities, qualifications and directorship terms of the Board of Directors and all Board Committees** are publicized through the company's website.
16. **The disclosure of the Company's article of association, vision and mission** on the company's website.
17. **The disclosure of audit fee and other services fee** beside audit fee in annual report
18. **Dissemination information** and press release via company's website

The dissemination of Company's information

The company emphasizes on the information disclosure with complete, transparency, accurate via communications channel. Messages were sent through a variety of media channel to the benefit of the stakeholders such as;

Regarding the investor relations, the company provide Investor relations unit in order to communication important information to shareholders, analysts, investors, and individuals. The company has designated the company secretary unit to serve investor relations service to disclosure significant information data and information to investors and relevant persons. This is to facilitate them to access information easily with diverse channel. In this regard, the following person can be contacted:

Mrs. Suvimol Charoensrichai Company Secretary

Telephone : 0-2685-6509

Fax : 0-2294-5159

E-mail : suvimol@pg.co.th

The Company announced the person and channel for contact via company website: www.pg.co.th under the topic "Investor Relations".

In 2021, due to the situation of the Coronavirus 2019 (COVID-19), which has continued to increase and spread widely. In addition, the government has declared a state of emergency in all areas of the Kingdom and asked for cooperation to consider the need to organize group activities with a large number of people. In addition, there is risk that the epidemic will occur and spread easily to the general public. The company communicates important and useful information. Through the news distribution channel of the Stock Exchange and company website to serve as a communication channel between the company, shareholders, and investors instead of organizing activities "Investors and analysts meet SAHA Group"

Important information are disclosed on the Company's website are as follows:

- Shareholders structure
- Organizational structure
- Company regulation and memorandum
- Corporate governance policy / Corporate governance criteria / Business Ethics / Ethics of Directors, management and employees / Anti-corruption policy and the guidelines of Anti-Corruption Policy
- Annual report (Form 56-1 One Report)
- Financial statement / financial performance including management's discussion and analysis for every quarter, both in Thailand and in English
- The board of directors charter
- Contact details and investors relation officer

Chapter 5 ; Responsibility of the Board of Directors

The Board of Directors play a vital role in providing guidelines for Company's execution, monitoring the operation performance, issuing the policy of good corporate governance, business ethics, and employees' morality, included anti-corruption policy in written version and also disseminated such policy as a practice through organization. The company protect benefits for its shareholders also supervise the activities as legally implemented

In the year 2021, the following cases had never happen to the company.

- Severe violation against stipulations of the Securities and Exchange Commission and the Stock Exchange of Thailand
- Corruption action or violation of ethics.
- Resignation of a non-executive director due to the reason of good governance.
- Loss of creditability due to the Board of Director's failure in monitoring the business

1. The Structure of the Board of Directors

The Board of Directors consists of the Directors, the audit committee, the Remuneration committee, the nomination committee, the risk management committee, the corporate governance committee, the executive board, Managing Director, and company secretary, with approved qualifications and ability to check and balance each other.

Policy on board diversity

The company directors has determined the qualification of nominated director by considering the missing skills of existing directors including profession, specialization and gender as shown in the structure of board of directors.

Every time after the shareholders' meeting, the Board of Directors holds a meeting to establish sub-committees which has been earlier screened by the Nomination Committee. In 2021, the Board of Directors Meeting No. 2/2021 on 10 May 2021 passed resolution to establish 6 sub-committees and clearly authorized their duties and responsibilities and tenure.

With regard to the Company's regulations, the Board of Directors is comprised of at least 5 directors, and the greater part of more than 50% is currently living in the Kingdom of Thailand.

The Board of Directors comprises of individuals who are competent and plays important role in determining company policy. They work with senior management to implement operation plans, stipulate monetary policy and risk management policy. They participate a significant in supervise, monitor and evaluate the company performance.

1.1 The board of Directors

In 2021, there were 12 directors who named on certification letter of ministry of commerce consisting of;

Name of Director		Position	Date of Appointment	Year In the position
1.	Mr. Boonkiet Chokwatana	President	April 24, 1989	32 years 8 months
2.	Mrs. Somporn Tiyaiboonsiri	Director	July 2, 1982	39 years 6 months
3.	Mr. Chailert Manoonpol	Director	July 29, 1985	36 years 5 months
4.	Mrs. Sunan Niyomnaitham	Director	July 29, 1986	35 years 5 months
5.	Mrs. Teerada Ambhanwong	Director	April 26, 1999	22 years 8 months
6.	Mrs. Nuchanart Thammanomai	Independent Director	April 26, 1999	22 years 8 months
7.	Mrs. Chortip Pramroj Na Ayudhya	Independent Director	April 22, 2002	19 years 8 months
8.	Gen. Konecharnart Chunnabhata	Independent Director	April 28, 2009	12 years 8 months
9.	Mr. Santi Bangor	Independent Director	April 28, 2009	12 years 8 months
10.	Mr. Viritpol Chaitavornsathien	Director	April 26, 2016	5 years 8 months
11.	Mr. Khachornsakdi Vanaratseath	Independent Director	April 25, 2017	4 years 8 months
12.	Mrs. Kityaporn Chaitavornsathien	Director	November 9, 2020	1 years 1 months
	Mrs. Suvimol Charoensrichai	Company Secretary		

Authorized Directors

An authorized act having a binding effect on the Company is requires the signatures of 2 directors out of the following 7 directors as well as the Company seal, namely as below:-

- | | |
|-------------------------------------|----------------------------|
| 1. Mr. Boonkiet Chokwatana | 2. Mr. Chailert Manoonpol |
| 3. Mr. Viritpol Chaitavornsathien | 4. Mrs. Sunan Niyomnaitham |
| 5. Mrs. Somporn Tiyaiboonsiri | 6. Mrs. Teerada Ambhanwong |
| 7. Mrs. Kityaporn Chaitavornsathien | |

The board of director comprises of

	Number (person)			Percentage
	Male	Female	Total	
Executive Director	1	1	2	16.66
Non - Executive Director	2	3	5	41.67
Independent Director	3	2	5	41.67
Total	6	6	12	100.00

The company has non-executive directors more than 1 person who have working experience on core business of company or same industrial or big organization. Such experiences are benefit to company operation (details are shown in Annual data report form (Form 56-1 One Report)

The Board of Directors consists of 5 independent directors, or 41.67% of the entire Board which is higher than a standard stipulated (one third or 33.33%) by the Capital Market Supervisory Board. The independent directors response in examining the operation of management team, expressing the opinion, supporting policy that benefit to shareholders or opposing the unfair or ambiguous that may effect to benefit of shareholders and stakeholders. The independent director also monitors on dissemination of related transaction to ensure that company and shareholders have the best interest.

The authority of company directors

1. To supervise and manage the administration in compliance with objective, company's articles and resolution of shareholders' meeting as well as legal compliance.
2. To appoint one Director to be President and anybody to be Vice - President as appropriate.
3. To appoint, demote or empower the advisor of board of directors, other sub-committee, managing director, secretary company, and/or any other persons to practice
4. To approve a loan to related company as a shareholder or business partner or other company that has business relationship to company in case of the financial amount lying beyond the authority of executive directors.
5. To approve the guarantee of credit facilities to business partner as a shareholder or other company that has business relationship to company in case of the financial amount lying beyond the authority of executive directors.
6. To approve nonfinancial juristic act in case of the financial amount lying beyond the authority of executive directors.
7. To approve collection or cancelation of credit facilities in case of the financial amount lying beyond the authority of executive directors.
8. To approve investment and trading of stocks or other assets in case of the financial amount lying beyond the authority of executive directors.
9. To approve acquirement and investment in fixed asset in case of the financial amount lying beyond the authority of executive directors
10. To approve adjustment, destroy, amortization of intangible asset and fixed asset that unworkable such as out of order, lost, destroyed, ruined, deteriorated, out of date in case of total book value lying beyond the authority of executive directors.
11. To approve price adjustment and destruction of raw materials, dead products or out of fashion products that lower book value in the financial amount that lying beyond the authority of executive directors.
12. To approve compromise, settlement of disputes by arbitration, complaint, lawsuit and/or implementation of judiciary on behalf of company for the matter of normal and abnormal commerce in case of the capital lying beyond the authority of executive director.
13. To propose the increase and decrease of capital or changing in stock value or amendment of memorandum of association, regulations, and/or company's objective to shareholders
14. To approve the Chairman or executive committee for the responsibility on determining operating authority manual.
15. Having the authority to invite management team, executives and employee to present and express their opinion or submit related documents.
16. To consult the specialist or company consultant (if any) or hire consultant or specialist in necessary case by company's expenses.
17. To appoint and remove company secretary.
18. All the above authorities of company directors related to acquisition or disposition of assets and connected transaction need to be performing according to the regulation of the capital market commission

Duties and responsibilities of The Board of Directors

1. To formulate visions, tasks and business policies of the Company.
2. Approve the annual business plan and annual budget, as well as supervising the operations by the management to well comply with the laws, policies, and plans in an efficient and effective-manner.
3. Promote the establishment of corporate governance policy, business ethics, and business morality in writing, to serve as guidelines for the directors, the management, and the employees, in carrying out their business practices, while regularly following up to ensure their strict adherence and compliance accordingly.
4. Set up adequate internal control systems, so as to ensure that all transactions receive proper approval from the authorized persons, and that proper accounting review and bookkeeping practice are carried out, while proper checking systems are in place to safeguard against unauthorized exploitation of company assets
5. Ensure that careful consideration is given to the issue of conflict of interests, and that clear practice guidelines are in place to safeguard the interests of the shareholders and the company. Also ensure that the persons having interests at stake do not take part in adopting the decision, and that all concerned parties strictly follow the procedures and regulations to disclose relevant information in a proper manner
6. Grant approval to financial statements already audited and verified by the certified public accountant, and earlier approved by The Audit Committee.
7. Being accountable to all shareholders on an equal basis, while ensuring that information are disclosed to the shareholders and investors in an accurate, reliable, and transparent manner.
8. Acknowledge the corporate management report prepared by The Executive Board.
9. Approve the interim dividend payment and report to shareholders' meeting for acknowledgement.
10. Set the date, time, and place for the annual shareholders' general meeting, and convene said meeting accordingly. Also set the rate for dividend payments (if any), and provide comments relating to the meeting agenda to the shareholders. In that regard, the company may suspend shares transfer registration for the period of 21 days leading up to the meeting, whereby the company is required to post such announcement to the shareholders at the company's head office and its subsidiaries for the period of no less than 14 days prior to such suspension. Otherwise, the company may set the date to finalize the shareholders' list (Record Date: RD) no longer than 2 months prior to the meeting to entitle the shareholders to attend the meeting, and to be eligible for dividend payments.
11. Prepare The Board of Directors' responsibility report toward financial statements compilation, and disclose said report in the company's annual report (form 56-1 One Report)
12. Report shareholding structure anytime of changing.
13. Supervise the compilation of the documents required to be submitted to concerned regulating agencies, to ensure that all information contained therein are true and accurate in accordance with the information appearing in the accounting books, the registration book, and other official documents of the company.
14. Approve the charter for The Board of Directors, and/or other committees
15. Engage in those acts lying beyond The Executive Board's authority, or as deemed necessary by The Board of Directors.

1.2 Duties and Functions of President

1. Consider and determine meeting agenda with managing director and supervise all directors to receive information correctly, completely, clearly and in time before meeting in order to have appropriately consideration
2. Be leader of the board of directors and be the president in board of directors meeting.
 - 2.1 To proceed the meeting in according to agenda, regulations, and laws.
 - 2.2 To allocate adequate time and encourage all directors to express opinion freely, discretion, and respect all stakeholders.
 - 2.3 To clearly summarize the meeting resolution and operations.
3. To be leader in shareholders' meeting and proceed the meeting in according to agenda, regulations, and laws. Also allocate adequate time including equally give the opportunities to shareholders for express their opinion and answer the questions appropriately and transparently.
4. Support and be model in performing by good corporate governance and ethics
5. Strengthen the relationship and support the work between the Board of company and management team.
6. Monitor the disclosure of information and transparency in the management of conflicts of interest
7. To ensure that the Board has the appropriate structure and composition.

1.3 Merger and Segregation between Boards and Managements

The Company prescribes that the Chairman of the Board of Directors shall not be an Executive Director, Managing Director and shall not have any relationship with the entire management team. There is a clear separation in the functions with respect to supervisory policies and the management of routine functions. The Company has prepared a Charter of the Board of Directors with clearly prescribes and delineates the powers of all committees and the Managing Director.

Chairman of the Board of Directors is responsible for being the leader and controller of Board of Directors meetings in order to ensure independence. All Directors are able to express opinions or make suggestions fully. The management of the executives is supported through the grant of powers and responsibilities to the Managing Director. The Board of Directors does not interfere with routine management work.

Although the Chairman of the Board of Directors is not an Independent Director, the Company remains confident that the discharge of duties has always been undertaken with an understanding of good corporate governance principles. Decisions on significant matters approved by each relevant committee have achieved a balance and reviewed as well as strictly complied with.

In 2021, the Executive Board consists of 9 Executive Directors leading by the Managing Director for the execution of management planning to comply with the policies of the Board of Directors. The Executive Directors also participated in stipulating policies and missions.

1.4 Directors term and number of year term

Term of Directorship

1. At each annual shareholders' general meeting, one-third of the sitting directors are required to retire from directors, whereas if the number of directors cannot be divided into 3 equal portions, the closet to such number shall apply. Retiring directors are eligible for re-election
2. In the case where the position of Board member is left vacant due to reasons other than term completion, with such remaining term not less than 2 months, The Board of Directors are required

to appoint other persons having full qualifications to succeed in that position. In such case, the newly-appointed Board member may only serve out the term remaining for the person he/she succeeds.

3. Apart from retiring upon term completion, the company director shall also relieved of his/her position upon resignation or death or having disqualifications as prohibited by laws or the resolution adopted by the shareholders' meeting to remove that person from the position, or court ruling remove that person from the position
4. The company director resigning from the position before term completion is required to submit his/her resignation letter to the company, with such resignation coming into effect on the date of said submission and may notify the resigning to registrar of resignation under the law of public company.

Furthermore, nomination committee screen and nominate right person to ensure that the elected person has knowledge, capability, and experience before proposing to the board of directors. Term of all company directors and independent directors are disclosed the above.

Term of independent directors

The board of directors does not specify the office holding term of independent directors since the shareholders' meeting will approve the resolution of the election of company directors and independent directors.

The board of directors has information for considering the election of independent directors whose term has ended. However, the number of years taking in the position of its being considered both in the meeting invitation letter and annual report

In 2021, there were 5 independent director named below;

Independent Directors		Appointment date	Years
1	Mrs. Nuchanart Thammanomai	April 26, 1999	22 years 8 months
2.	Mrs. Chortip Pramoj Na Ayudhya	April 22, 2002	19 years 8 months
3.	Gen. Konecharnart Chunnabhata	April 28, 2009	12 years 8 months
4.	Mr. Santi Bangor	April 28, 2009	12 years 8 months
5.	Mr. Khachornsakdi Vanaratseath	April 25, 2017	4 years 8 months

1.5 Holding Office Regulation for the Directors and/or Managing Director The Board of Directors has not specified the number of listed companies that each director takes a director position, believing that competency and business expertise of each director has nothing to do with the number of companies he takes if every director has commitment and determination to perform his duty as he has been trusted by the Board of Directors and the shareholders.

The Directors who hold office in other companies should be approved by the Board of Directors, according to the regulations of holding office for the Directors.

The Company recognizes the value of experiences that directors gain from holding positions of directors at other companies. In addition to the nomination criteria that the Nominating Committee will consider appointing a person to be a director of the Company by considering the knowledge, ability and sufficient time to perform duties for the Company. At present, no director holds a directorship position in more than 5 listed companies. The company discloses the names and details of each director's position in other companies according to Attachment No.1 in the annual information report form (Form 56-1), One Report).

Being company director of listed company (No. of company)	No. of company director (person)	Percentage	Name lists		
5 companies	1	8.34	Mr. Boonkiet	Chokwatana	Non-executive director
3 companies	1	16.66	Mrs. Teerada	Ambhanwong	Non-executive director
			Mr. Khachornsakdi	Vanaratseath	Independent director
2 companies	3	25.00	Mrs. Nuchanart	Thammanomai	Independent director
			Mr. Santi	Bangor	Independent director
			Mr. Viritpol	Chaitavornsathien	Executive director
1 company	6	58.34	GEN. Konecharnart	Chunnabhata	Independent director
			Mr. Chailert	Manoonpol	Non-executive director
			Mrs. Chortip	Pramoj Na Ayudhya	Non-executive director
			Mrs. Somporn	Tiyaviboonsiri	Non-executive director
			Mrs. Kityaporn	Chaitavornsathien	Non-executive director
			Mrs. Sunan	Niyomnaitham **	Executive director
	12	100.00			

Remarks: ** Executive Director who hold position as director only 1 listed company

Regarding holding office in the other listed companies, the Company's Directors and Chief Executive Committee, Directors and Chief Executives Officers of the Saha Group will consider such criteria of those companies as types of business and the necessity in assigning the Managing Director or the Company Executive to be the Company's representative concerning partnership or partnership contract. If necessary, they will send the Director or the Executive who has knowledge, skills, and expertise in that area to hold office.

1.6 Self-evaluation by The Board of Directors

The Board of Directors provides an evaluation of the Board of Directors' performance, evaluating the performance of the Company's directors individually. and the performance appraisal form of the sub-committees for the year 2021, which has been prepared annually so that each director can jointly consider and evaluate the overall performance of the Board of Directors. This is to review the work. problems and obstacles during the past year To help the work of the Board of Directors more efficient.

The company secretary has sent the assessment form to all directors. All directors are independent in making such assessments and when the assessment form has been completed, it must be returned to the company secretary in order to gather and summarize the results and report to the Board of Directors for acknowledgment in the Board of Directors' meeting.

For the evaluation criteria, calculating in percentage of the full score in each item is as follows:

Score	Criteria
Up to 90 percent	Excellent
Up to 70 percent	Very Good
Up to 50 percent	Fair
Less than 50	Need improvement

Annual Assessment of the Board of Directors

The Board of Directors set performance assessment of the Board of Directors. The assessment is divided into 3 areas as following;

1. Role, Duty and Responsibility of the Board of Directors
2. Independently
3. Relationship between executives and stakeholders

Annual Assessment of company directors by individually

The Board of Directors set individually performance assessment of company directors. The assessment is divided into 3 areas as following;

1. Role, Duty and Responsibility
2. Duties of the Board of Directors
3. Self-development

Annual Assessment of sub-committee

The Board of Directors set performance assessment of sub-committee. Each member need to assess working performance of their own sub-committee in overall image. The assessment is divided into 3 areas as following;

1. Director Structure and qualification
2. The Director's meeting
3. Role, Duty, and Responsibility

Annual Assessment of Executives Committee

Board of Directors provide a self-assessment of the Executive Committee. Each member is responsible for evaluating other Executive Directors on specific topics. The evaluation results is used as a part of determining the remuneration to Executive Directors and another part is from the discretion of Remuneration Committee. The assessments are as following;

1. Role, Duty, and Responsibility
2. Relationship with subordinates and stakeholders
3. Self-development
4. Working transparency

The average rating of the Board of Directors, both individual and sub-committees.

	Scored	Criteria
1. The Board of Directors	86.67	Very Good
2. The Board of Directors by individually	88.85	Very Good
3. The Audit Committee	89.78	Very Good
4. The Nomination Committee	85.50	Very Good
5. The Remuneration Committee	87.00	Very Good
6. The Risk Assessment Committee	79.27	Very Good
7. The Corporate Governance Committee	84.09	Very Good

Annual Assessment of Managing Director

The assessment of Managing Director was done by the remuneration committee. The evaluation criteria is as following ;

1. Leadership
2. Company performance (Sale revenue and profitability)
3. Applying policies and strategy planning
4. Relationship to the board of directors and stakeholders

The Remuneration Committee has assessed the performance of the Managing Director for the year 2021.

1.7 Development of Directors and Executive Officers

The Board of Directors and executive officers have appreciated their roles, duties and responsibilities to the Company. Thus, the Company has attached importance to the development of all personnel throughout the organization, consistent with the leadership and vision of the Directors and executive officers, in order to enhance knowledge, competencies, skills and potentials. The Board of Directors and executive officers are encouraged to attend seminars and training in courses that are beneficial to the performance of functions as are held internally or externally, including work visits abroad. The following is samples of courses trained by IOD:

- Director Accreditation Program (DAP)
- Director Certification Program (DCP)
- Finance for Non-Finance Director
- Roles of Compensation Committee Program (RCC)

In 2021, the Company's Director attended some seminar and training courses, i.e.

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Director / Executives	Seminar / Training course
Mrs. Sunan Niyomnaitham	<ul style="list-style-type: none"> - TLCA CFO CPD No. 4th /2021 "How finance leaders are adapting within the new normal " Organized by Thai Listed Companies Association - Fraud & Cyber Security Risk How does the company cope with risks related to fraud and cyber security? Organized by Thai Listed Companies Association - TLCA CFO CPD 6th /2021 "ESG integration in Sustainable" Organized by Thai Listed - TLCA CFO CPD 7th /2021 "Economic update for CFO" Organized by Thai Listed Companies Association
Mr. Viritpol Chaithavornsathien	<ul style="list-style-type: none"> - Verifying the readiness before PDPA is in force, organized by the Securities and Exchange Commission.
Mr. Santi Bang-or	<ul style="list-style-type: none"> - Meeting with the Audit Committee of listed companies organized by the Securities and Exchange Commission
Mrs. Sasivimol Kluyasitrakul	<ul style="list-style-type: none"> - Trends and directions of making M&A, important issues to consider and strategies for making M&A success organized by the Stock Exchange of Thailand - Update tax year 2021 organized by Saha Pathana Inter-Holding Public Company Limited - Update the list of financial standards for non-interested entities Organized by the Association of Accounting and Law Firms - Accounting for revaluation of assets and liabilities Organized by the Association of Accounting and Law Firms - Update all tax issues that have changed in 2021, organized by the Association of Accounting and Law Firms - Operation of the department store - Limited company under the Civil and Commercial Code, organized by the Association of Accounting and Law Firms - How should an accountant prepare when meet the Revenue Department Organized by the Association of Accounting and Law Firms - Financial Reporting Standard No. 16 Lease Agreements organized by the Association of Accounting and Legal Firms - The role of forensic accountant in the digital world organized by the Association of Accounting and Law Firms - In depth accounting law and correct practices Organized by the Association of Accounting and Law Firms
Ms. Salinla Chaiput	<ul style="list-style-type: none"> - Trends and directions of making M&A, important issues to consider and strategies for making M&A success organized by the Stock Exchange of Thailand - Updated List of Financial Reporting Standards for Non-Public Interests (TFRS for NPAs), organized by the Association of Accounting and Legal Firms. - Accounting for revaluation of assets and liabilities Organized by the Association of Accounting and Law Firms - Update all tax issues that have changed in 2021, organized by the Association of Accounting and Law Firms. - Operations of the department store - limited company under the Civil and Commercial Code. Organized by the Association of Accounting and Law Firms - How should an accountant prepare when meet the Revenue Department Organized by the Association of Accounting and Law Firms - Financial Reporting Standard No. 16 Lease Agreements organized by the Association of Accounting and Legal Firms - The role of forensic accountant in the digital world organized by the Association of Accounting and Law Firms - In depth accounting law and correct practices Organized by the Association of Accounting and Law Firms - TFRF 15 and real estate business Organized by the Association of Accounting and Law Firms

Director / Executives	Seminar / Training course
Mrs. Suvimol Charoensrichai	<ul style="list-style-type: none"> - HCM Webinar 3/21 “Work and Well-being during COVID – 19” organized by Thai Listed Companies Association - Prepare to change for sustainability with one report organized by the Securities and Exchange Commission - Management and supervision of employees during the COVID-19 epidemic organized by the Thai Listed Companies Association - Sustainability, ESG and a company's reporting (Sustainability concept of the organization and management of reporting information) EY Office - IRG No. 2/5 “Shareholders' Meeting of Listed Companies via Electronic Media and the Protection of Shareholders Rights” organized by Thai Listed Companies Association - IRG No. 3/5 “Shareholders exercise their right to call a shareholders’ meeting according to Section 100 of the Public Act” organized by the Thai Listed Companies Association. - HCM webinar 4/2564 work and well-being during COVID-19 organized by Thai Listed Companies Association - The role of the company secretary in raising the CG on Anti-corruption, organized by the Thai Listed Companies Association - Business and Human Rights and guidelines for filling out human rights information in the 56-1 One Report form under the Business and Human Rights Project For businesses in the Thai capital market (Phase 1) organized by the Office of the SEC - Ensure readiness before PDPA is effective Organized by the Office of the SEC - Webinar “Modern slavery: Tackling the greatest human rights challenge of our time organized by the SEC

Orientation of New Directors

The Company has arranged for the orientation of new Directors in order to inform them of the Company’s policies and relevant information, such as the Company’s principal business, operating results, organizational structure, shareholders, including relevant rules and regulations as well as plant visiting. Also, for the benefit of the discharge of functions by new Directors, the Company has prepared a handbook for Directors, as follows.

1. Director’s Handbook

- Securities and Exchange Act (No. 4) B.E. 2551 (2008)
- Charter of the Board of Directors
- Certificate of Registration as a Public Limited Company
- Company Certification and Objects of the Company
- Articles of Association
- Good Corporate Governance Handbook
- SEC’s Listed Company Directors Handbook

2. Other

- Visions and goals of the Company;
- Annual Report together with an introductory presentation on the Company’s business description for new Directors.

3. Organize meetings with the Chairman, Managing director and Chief Executives Financial Officer for inquiries about the company’s business operations by assigning the Company Secretary to be the coordinator for various matters.

Current directors and Management Executives

The company attaches importance to the promotion of knowledge to current directors. Encourage directors to attend training courses related to the roles and responsibilities of directors organized by IOD. Moreover, there are 10 persons of 12 of Company's directors have passed the training from IOD, representing 83.33%, including courses related to the roles and responsibilities of directors. and related to the company's business.

In addition, there is encouraging executives to gain knowledge about the laws and regulations related to the performance of executive duties, including training / seminars that are beneficial to the organization and the trainers

Relevant parties in corporate governance

The Company Secretary, the secretary to the Audit Committee, officers engaged in investor relations, as well as those doing relevant jobs, regularly attend assorted training courses and sit in on seminars on relevant and current topics, and topics that are helpful to their performance organized by SEC, SET, Listed Companies Association, and IOD.

1.8 Company Secretary

The board of directors had appointed Mrs. Suvimol Charoensrichai as company secretary. (The duties and responsibilities detailed in topic : management structure, subject "company secretary") .

2. Sub committee

The company has 6 sub committees in order to further supervise the operations of the company which details below

	Persons	Independent Directors	Non-Executive Directors	Executive Directors	Executive Officers**
1. Audit Committee	3	3	-	-	-
2.Remuneration Committee	4	1	2	1	-
3.Nomination Committee	4	1	2	1	-
4. Risk Management Committee	5	1	1	1	2
5.Corporate Governance Committee	4	1	-	2	1
6. Management Executive	8	-	-	2	6

Remarks : Those 6 supporting committee have their term for 1 year.

** Executive Officer which was not the Company Director.

All sub-committees need to be selected by the nomination committee which duty on carefully proposed appropriate person to be appointed by the board of directors. Sub-committee has specific duties and presents the subject to the board of directors for acknowledgement. The board of directors may appoint other sub-committee in compliance with appropriateness and situation. Sub-committees are not comprised entirely of Independent Directors, but Non-Executive Directors, Executive Directors and Independent Directors. All such Directors are qualified and have a good understanding of their roles as Directors and committee members. Functions are performed with responsibility, loyalty, honesty, morality, care, prudence and independence. It is believed that all Directors have such an understanding and carry out strict compliance. The composition of each committee is also accepted by the shareholders which composition, qualification, meeting, tenure, and scope of duties and responsibilities of each sub-committee are complying with content that the Board of Directors has specified in the charter.

Furthermore, the company reviews performance of the board of directors and sub-committee annually. However, the Directors and Chief Executives have never been employed or be in a partner of the external audit firm during the past two years.

2.1 Audit Committee

In 2021, The Board of Directors' meeting No.2/2021 held on May 10, 2021 approved a resolution of appointment of Audit Committee. The committee appointed at least 3 persons who have qualification in accordance with laws of The Stock Exchange of Thailand and one of them must have accounting and financial knowledge to be audit committee as named below.

Names		Position	
1. Mr. Khachornsakdi	Vanaratseath	Chairman of Audit Committee	Independent Director, having knowledge on Accounting and Finance
2. Mrs.Nuchanart	Thammanomai	Member of Audit Committee	Independent Director, having knowledge on Law
3. Mr.Santi	Bangor	Member of Audit Committee	Independent Director, having knowledge on Finance
Ms. Warassara	Bunchujaras	Secretary to the Audit Committee	

Remark: Audit Committee has its term for one year, which starts counting on May 10, 2021 onward.

Meeting: In 2021, Audit Committee convened 5 meeting. All 3 members of the committee attended all meetings.

Functions and Responsibility of Audit Committee performing by the Charter of Audit Committee

1. To review the financial statements of the Company to ensure that financial reporting is sufficient and accurate.
2. To review the internal control system and internal audit to ensure efficiency and effectiveness, to monitor anti-corruption and to consider the independence of internal audit units as well as to give approvals for appointments, transfers or terminations of heads of internal audit units or other units responsible for internal audits.
3. To review the Company's compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand and laws relating to the Company's businesses.
4. To consider, select, propose and demote independent persons for appointment as the Company's auditors and propose the remuneration for such persons, and also to attend meetings with the auditors without the presence of the management which must be held at least once a year.
5. To scrutinize connected transactions or transactions which may contain conflicts of interests in order to ensure compliance with the law and regulations of the Stock Exchange of Thailand, as well as to ensure that that such transactions are entered into reasonably and are in the best interests of the Company.
6. To prepare an Audit Committee Report which must be disclosed in the Company Annual Report. Such report must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - (a) Opinion pertaining to the accuracy, completeness and reliability of the Company's financial statements;
 - (b) Opinion pertaining to the sufficiency of internal controls in the Company;
 - (c) Opinion pertaining to compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand or laws relating to the Company's businesses;

- (d) Opinion pertaining to the suitability of the auditor;
 - (e) Opinion pertaining to transactions that could potentially give rise to conflicts of interests;
 - (f) The number of Audit Committee members and the meeting attendance of each Audit Committee member;
 - (g) General opinion or observation expressed by the Audit Committee in relation to the performance of functions under this Charter;
 - (h) Other items deemed as necessary information for shareholders and investors generally within the scope of duties and responsibilities as assigned by the Board of Directors.
7. In the discharge of its duties, if the Audit Committee finds or is under a suspicion that the following transaction or act has been committed, which may have a substantial impact on the financial standing and operating results of the Company, the Audit Committee shall file a report to the Board of Directors in order to effect remedial actions within the period as deemed appropriate by the Audit Committee:
- (a) transaction giving rise to a conflict of interests;
 - (b) fraud or irregularity or a significant deficiency in the internal control system.
 - (c) violation of the law on securities and exchange, regulations of the Stock Exchange of Thailand or laws relating to the Company's businesses. If the Board of Directors or executive officers fail to carry out the remedies within the prescribed period, any Audit Committee member may report such transaction or action to the Office of the Securities and Exchange Commission or Stock Exchange of Thailand.
8. To support and monitor the Company's implementation of an efficient risk management system.
9. To revise and amend the Charter of the Audit Committee and propose such revision or amendment to the Board of Directors for approval
10. To perform other acts as assigned by the Board of Directors with the approval of the Audit Committee pursuant to powers under the Company Articles and the law.

Responsibility

In performing the above duties, the Audit Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties.

Remuneration Committee

In 2021, the Board of Director meeting no. 2/2021 on May 10, 2021 considered and approved the appointment of 4 members of Remuneration Committee, with 1 Independent Director as following names;

Names		Position	
1. Mr.Boonkiet	Chokwatana	Chairman of Remuneration Committee	Non-Executive Director
2. Mrs. Sunan	Niyomnaitham	Member of Remuneration Committee	Executive Director
3. Mrs.Chotip	Pramoj Na Ayudhya	Member of Remuneration Committee	Independent Director
4. Mrs. Kityaporn	Chaithavornsathien	Member of Remuneration Committee	Non-Executive Director

Remark : Remuneration Committee has its term for one year, which starts counting on May 10, 2021 onward.

Meeting : In 2021, the Remuneration Committee convened 2 meetings. All 4 members of the committee attended the meeting.

Functions and Responsibility of Remuneration Committee

1. To determine the remuneration of Company Directors, taking into consideration other companies in the same industry, the growth and performance of the Company and the remuneration limit approved by the meeting of shareholders and remunerations paid in the preceding year, in order to make a proposal to the Board of Directors for consideration and submission to the meeting of shareholders for approval.
2. To consider the distribution of remuneration of Company Directors, Audit Committee members, Nominating Committee members and Remuneration Committee members, taking into consideration the functions, responsibilities and performance of such committees, within the limit approved by the meeting of shareholders, and making such proposals to the Board of Directors for approval.
3. To revise and amend the Charter of the Remuneration Committee and to submit such revisions or amendments to the Board of Directors for approval.
4. To carry out any other acts as assigned by the Board of Directors.

Responsibility : In performing the above duties, the Remuneration Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties

2.3 Nomination Committee

In 2020, the Board of Director meeting no. 2/2021 on May 10, 2021 considered and approved the appointment of Nomination committee, which had 4 members; one of them must be Independent director, as following names;

Names		Position	
1. Mr.Boonkiet	Chokwatana	Chairman of Nomination Committee	Non-Executive Director
2. Mrs.Somporn	Tiyaviboonsiri	Member of Nomination Committee	Non-Executive Director
3. Mrs.Chortip	Pramoj Na Ayudhya	Member of Nomination Committee	Independent Director
4. Mr.Viritpol	Chaitavornsathien	Member of Nomination Committee	Executive Director

Remark: Nomination Committee has its term for one year, which starts counting on May 10, 2021 onward.

Meeting: In 2021, the Nomination Committee convened 2 meetings. All 4 members of the committee attended all meetings.

Functions and Responsibility of Nomination Committee

1. To determine rules and procedures for the Nominating of Company Directors.
2. To consider the qualifications of the directors With approval from the Board of Directors. In the appointment of each director, the appointed directors must have qualifications in accordance with relevant laws and regulations. The appointed director should also have knowledge, ability and experience in business operations together with leadership and strategic thinking as well as having appropriate personal qualifications.
3. To consider the selection of persons having suitable qualifications for a Company Director for nomination to the meeting of the Board of Directors for approval. Where a directorial position has become vacant by reason of a resignation, the Company Board of Directors shall appoint a director to fill in the position. As for other cases, the Company Board of Directors must submit the candidate to the shareholders for consideration pursuant to the Company's articles.
4. To consider and review the structure and element of company director

5. To revise and amend the Charter of the Nominating Committee and to submit such revisions or amendments to the Board of Directors for approval
6. To complete any assignment assigned from the Board of director.

Responsibility: In performing the above duties, The Nomination Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties

In 2021, the Nomination Committee convened 2 meetings. All 4 members of the committee attended all meetings to consider the nomination of replacements for directors who expire their term in the year 2021 and to nominate and appoint sub-committee and to present to company director and ordinary shareholder meeting for getting an approval respectively.

Moreover, the committee arrange meeting for nominating independent director who have qualification in accordance with the rules of Capital Market Supervisory Board in order to support Structure of Company Director pursuant to good corporate governance principal. Therefore, the Company has independent directors one third (1/3) of board of directors.

2.4 Management Committee

In 2021, company director meeting no. 2/2021 on May 10, 2021 considered and approved the appointment of Risk Management committee which consists of 5 members; the chairman is Independent Director, as following names;

Names		Position	
1.	General Konechamart Chunnabhata	Chairman of Risk Management Committee	Independent Director
2.	Mr. Chailert Manoonpol	Risk Management Committee	Non-Executive Director
3.	Mr. Viritpol Chaithavornsathien	Risk Management Committee	Executive Director
4.	Mrs.Sasivimol Kluyasritrakul	Risk Management Committee	Executive Director
5.	Mrs.Suvimol Charoensrichai	Risk Management Committee	Executive Director
	Ms.Chapaon Srisuntisuk	Secretary to the Risk Management Committee	

Remark : Risk management committee has its term for one year which start counting on May 10, 2021.

Meeting : In 2021, the Risk Management Committee convened 4 meetings. All 5 members of the committee attended all meetings

Function and responsibility of Risk Management Committee

1. To accept the risk management policy from company director for planning risk management for all level in the organization
2. To propose the appointment of risk management team to company director for acknowledgement
3. To follow, specific and evaluate the risk which presented by risk management team
4. To evaluate and consider risk management plan which presented by risk management team
5. To report the risk management to company director for getting agreement
6. To supervise the effective of risk management
7. To revise and amend the Charter of the Risk Management Committee and to submit such revisions or amendments to the Board of Directors for approval.
8. To complete any assignment related to risk management assigned from the Board.

Responsibility In performing the above duties, The Risk Management Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties.

2.5 Corporate Governance Committee

In 2021, company director meeting no. 2/2021 on May 10, 2021 considered and approved the appointment of Corporate Governance committee, which consists of 4 members; the chairman is Independent Director, as following names;

Names		Position	
1. Mr. Santi	Bangor	Chairman of Corporate Governance Committee	Independent Director
2. Mr. Viritpol	Chaithavornsathien	Member of the committee	Executive Director
3. Mrs.Sunan	Niyomnaitham	Member of the committee	Executive Director
4. Mrs.Suvimol	Charoensrichai	Member/Secretary	Company Secretary

Remark : Corporate Governance committee has its term for one year which start counting on May 10, 2021 onward.

Meeting : In 2021, the Corporate Governance Committee convened 2 meetings.

Function and responsibility of Corporate Governance Committee

1. To revise and consider Corporate Governance Policies, Business Ethics and Code of Conduct for Employees to ensure the appropriate and up-to-date.
2. To propose the guideline to perform in accordance with the corporate governance principle for the Company's directors, sub-committee, executives including employees in every level.
3. To follow and supervise the operation of the Board of Directors, managements and employees in order to conform with corporate governance framework, the Company's policies and related laws and regulations
4. To propose the corporate governance report to the Board of Directors including opinion and suggestion for conduct appropriated revision.
5. To assign policies and guideline for the operation of Corporate Social Responsibility and follow such operation (CSR) then report to the Board of Directors.
6. To control the effectiveness of corporate governance to be consecutively and appropriated success.
7. To propose the appointment of corporate governance team to company director for acknowledgement and getting agreement
8. To revise and amend the Charter of the Risk Management Committee and to submit such revisions or amendments to the Board of Directors for approval.
9. To complete any assignment related to risk management received from the Board.

Responsibility: In performing the above duties, the Corporate Governance Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties.

2.6 Executive Committee

The executive committee functions as management team which set up for managing company business assigned by the board. The company director meeting no. 2/2021 on May 10, 2021 considered and approved the appointment of 8 members of Executive Committee.

In 2021, executive committee convened 12 meetings. The schedule of meeting was set yearly in advance.

Names		Position
1. Mr. Viritpol	Chaitavornsathien	Managing Director
2. Mrs. Sunan	Niyomnaitham	Deputy Managing Director/Chief Financial Officer
3. Mrs.Sasivimol	Kluyasritrakul	Assistant Manager, Account and Finance Department
4. Mrs.Nutchapunorn	Sunthornwiset	Manager, Business 1 Division
5. Mrs.Kalayanee	Chantarapikul	Manager, Purchasing Division
6. Mrs.Photchamarn	Engkanisarn	Manager, Business 2 Division
7. Mrs.Suvimol	Charoensrichai	Manager, Registration Division/Secretary to the Executive Board
8. Ms. Salinla	Chaiput	Assistant Manager, Account and Finance Department

Remark: the board of executive directors has 1 year term counting from May 10, 2021.

All 8 members have no forbidden qualifications;

1. No record of committing criminal offenses against property, which was done in bad faith.
2. No record of a potential conflict of interest with the Company during the past year.

Functions and Responsibility of Executive Committee

1. To supervise operations in line with the Company's tasks and to comply with the Company's business policy in view of achieving the Company's business goals as well as the objectives of shareholders' resolutions.
2. Developing the organization and personnel in terms of knowledge and full competence and building organizational culture.
3. To sequence the importance of company director's decision and use it for getting effective management.
4. To consider the agenda before presenting to the company director.
5. Having a duty to report on plan progression and budget approved to the Board of Directors every quarter.
6. Arranging for a meeting with chief officers of each department every month on the quarterly basis to follow up and monitor operating results.
7. Arranging for the General Meeting with chief officers of each department in the fourth quarter of each year to jointly set business targets and the Company's plans for next year with aim at the continual and sustainable growth.
8. Considering financial policies, loan raising, investment, and lease/lease agreements within specified amount limit which is not more than 20 million baht.
9. To consider policies pertaining administration and organizational restructuring.
10. To consider business and marketing policies.
11. To consider personnel policies and approve the adjustment of employee salary scales and bonuses.
12. To consider the approval of juristic acts binding on the Company or other acts not performed in the usual course of business within the prescribed financial limit which is not more than 20 million baht.
13. To report on shareholding whenever Changing.
14. To promote the good conscience of executives and employees in their performance of duties in line with the Company's business policies, business ethics and employee code of conduct.
15. Others followed or assigned by the board of directors meeting's resolution.

Responsibility: In performing the above duties, The Remuneration Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties.

2.7 Authority and Responsibility of Managing Director

The Board of Directors has recognized the Principle of Good Corporate Governance, and to be in compliance with Chapter 3/1 of the Securities and Exchange Act, B.E. 2535 as amended by the Securities and Exchange Act (No. 4), B.E. 2551, it deems expedient to establish the Charter of Managing Director as follows;

1. To manage the Company and administer the operations in compliance with policies, laws, objectives, Articles of the Company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, resolutions of the Executive Committee, as well as relevant regulations and procedures.
2. To issue orders and carry out any act as necessary and appropriate in order to satisfactorily carry out the functions under article 1, and in the case of an important matter, a report shall be made and/or notice shall be given to the Board of Directors and/or the Executive Committee.
3. To command, allocate, appoint, relieve, transfer, promote, enforce disciplines, evaluate as well as to determine the company personnel's remuneration and welfare benefits of employees. All said power must not be inconsistent with the power of Executive Committee.
4. To issue regulations on the Company's operations, such regulations not being inconsistent with or contrary to the policies, articles of the Company, regulations orders and resolutions of the Board of Directors and/or Executive Committee.
5. To grant or approve the investment in permanent asset in the specific amount which is not more than 20 million baht.
6. To grant or approve selling or buying ordinary shares and/or others securities issued by other companies in the specific amount which is not more than 20 million baht.
7. To approve the juristic act of non-financial transaction in the specific amount which is not more than 20 million baht.
8. To report the operation under article 5,6,7 to the Executive Board for acknowledgement as appropriate at the next meeting.
9. To grant and/or delegate powers to other persons to perform specific tasks on behalf of the Managing Director.
10. The above powers of the Managing Director shall not be exercised in the event of the Managing Director's having a potential personal interest in or a conflict of interests of any character with the Company.
11. In the event that the above powers may not be thoroughly clarified or causing any doubt (uncertain) in exercising, the matter must be submitted for the Board of Directors' consideration.
12. To carry out any other acts as assigned by the Board of Directors and/or Executive Committee.

2.8 The nomination and appointment directors and Top-Level management

The nomination directors

The Nominating Committee has been assigned to select qualified persons having appropriate qualifications. For such nominating process of the persons to be appointed directors, the company has set the screening criteria for such candidates based upon their basic qualifications and qualities that can meet the requirements of the vacancy, in order to have The Board of Directors with knowledge and various field of expertise, including leadership, vision, integrity and ethics, as well as transparent work experiences and not be prohibited under the laws and regulations of the company. The board of directors had clearly determined functions and responsibility of directors as in manual of directors for listed company as following;

1. Be legal (Fiduciary Duties)
2. Be carefully (Duty of Care)
3. Be honesty (Duty of Loyalty)
4. Be responsibility to duties (accountable)

The Company has formulated the structure of the Board of Directors. As a result, the proportion of the Executive Directors, Non-Executive Directors, and Independent Directors was more appropriated in monitoring the good corporate governance rigorously, though having the Independent Directors less than 50%.

Director and Independent Director Selection Process

Nomination Committee nominates and screen independent director who have qualification follow the standard of the Stock Exchange of Thailand and Securities and Exchange Commission to propose to the board of directors and shareholders' meeting.

Determination of Independent Directors' Qualifications

According to Notification of Capital Market Supervisory Board Tor Chor 4/2009 title Application for and Approval of Offer for Sale of Newly Issued Shares which was announced on February 20, 2009 and effective on March 1, 2009. The definition of independent director were changed, therefore the qualification of independent director should be conformed to the said notification. People's Garment Public Company Limited has defined the qualification of independent director which is more intensive than the minimum principal of the Securities and Exchange Commission and the Stock Exchange of Thailand by determination to hold the share not more than 0.5 Percent (which the Securities and Exchange Commission determine 1.0 Percent) and the independent directors are independent and have the following qualifications: which the details are following;

- (1) Holding not more than 0.5 percent of total voting shares of company or its parent company, its subsidiaries, its associated companies, including stocks held by connected persons of the independent.
- (2) Not being or never been board member who participated in management of its parent company or an executive director, employee, staff, advisor who receives salary of a controlling person of company, its parent company, its subsidiaries, its associated companies, same-level subsidiaries or a juristic person who may have conflicts of interest unless the foregoing status has ended for more than 2 years, excluding independent director who ever be government official or advisor for government service which is major shareholder or controlling person of company.
- (3) Not being a person related by consanguinity or legal registration, such as father, mother, spouse, sibling and child, including spouse of the children, management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of company or its subsidiaries.
- (4) Not having or never had a business relationship with company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, in the manner that may interfere with his independent judgment, or is not or has not ever been a major shareholder, non-independent director or management of any person having business relationship with company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years.

The term “business relationship” aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the applicant or 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies concerning the Connected Transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of a year prior to the date on which the business relationship with the person commences;

- (5) Not being or never been an auditor of company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest and is not a major shareholder, non-independent director, management or partner of an audit firm which employs auditors of company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years.
- (6) Not being or never been any professional advisor including legal or financial advisor who receives an annual service fee exceeding 2 million Baht from company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, and is not a major shareholder, non-independent director, management or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years.
- (7) Not being a representative of company director or its major shareholder or a shareholder who is related to company's major shareholder.
- (8) Not being a director in other organization that compete with or related to company, its subsidiaries, or not being a partnership of organization that compete with or related to company, and not being an executive director, employee, staff, advisor who receives salary, and not holding share more than 1 percent of total voting shares of organization that compete with or related to company.
- (9) Not having characteristics which lead to incapable of expressing independent opinions regarding company's business.

After appointed to be independent director who qualifies as stated above (1) to (9), such independent director may be assigned by the Board of Director for taking part in the business decision of company, its parent company, its subsidiaries, its associated companies, same level subsidiaries, major shareholder or controlling person on the condition that such decision must be a collective decision.

The nomination and appointment for Top-Level management

The nomination for Top-Level management (The executive director)

The nomination process for chief executives will be considered by nomination committee. The nomination committee selects current executives or others who have knowledge, capability, and qualification in conformity with business nature of company also have the ability to manage company tasks to achieve objective and goal determined by the board of directors. Moreover, candidates who have no forbidden qualifications by laws, will be proposed to the board of director for appointment.

The nomination for executives (Secondary executives)

The nomination process for executives is considered from the selection of the persons who have good qualifications and sound morality and ethics to join the company. The company provides the opportunities to be executives by training and developing employees through the evaluation process of employees' potentials and capabilities. Such employees who pass the evaluation shall be assigned to challenging tasks and have higher responsibility scope. The company alerts to develop all employees to replace the position in case of vacancy.

3. Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has been elected by the shareholders as their representatives in implementing company's policies. They collaborated with the Executives in formulating vision, missions, strategies, operational plan, annual budget, good governance, and supervision in order for the executives and employees to aim in the same direction including supervising and monitoring the operation performance.

In 2021, the Board of Directors has legally operated the company in compliance with the laws and regulation. Therefore, there is no infringement on the official regulations found.

3.1 Leadership and Vision

Leadership

The Board of Directors is comprised of persons with knowledge, competence, skills and experience in the Company's principal business. The vision, mission, strategies and goals as well as working plans and annual budget are determined in order to enhance operational efficiency for the greatest benefits of the business and achievement of the Company's business goals. In this regard, the Board of Directors undertakes the duties of monitoring the management of the executive according to the various working plans, as well as the determination and delineation of roles, functions and responsibilities between the Board of Directors, executive officers, employees and relevant persons.

In addition, the Audit Committee has been entrusted with the function of supervising the operations of the internal audit section so as to ensure sufficiency for the business and to ensure suitable risk management in order to achieve the highest safeguard of interests. The principles of good corporate governance are applied as management tools for adding value to the business and the shareholders.

Vision

The board of directors realizes the importance of business operation. In this regard, the company determines **vision and missions** for directors, executives, and employees to have one goal in business operation. Besides, company's vision and mission will be reviewed on yearly basis.

In 2021, the company defined its vision in conformity with social responsibility and environment.

3.2 Good Corporate Governance

The Board of Directors appreciates the importance of good corporate governance. In consequence thereof, the Board of Directors has laid down a policy on corporate governance in writing, consisting of 5 parties, **i.e. corporate governance policies, corporate governance principles, business ethics, employees' code of conduct and Anti-Corruption policy.** The corporate governance policies are reviewed annually and disseminated via company's website. Such policies were handed to the Board of Directors, executive officers and all employees of the Company, in order to be a guideline for all employees to responsibly

their duty with good conscious, to promote the implementation of good corporate governance systems in the organization, thus achieving transparency in business operations. (Full version of corporate governance policies, business ethics, code of conduct for company directors, executive officers and employees are published via company's website).



Be able to study more information of “Business Ethics” available on the company’s website www.pg.co.th under the topic “Good Corporate Governance”

The company encourages directors, executives and employees to acknowledge and follow the Good Corporate Governance policy, Good Governance principles, Code of Conduct and Ethics of Board of Directors, executives, and employees. The Board of Directors will follow these stipulations to be a good model for employees to follow. Moreover, members of the Board of Directors and new staff will receive this policy manual at an orientation, and they will sign a commitment to follow the policy stipulation in their operation in order to express the commitment in adhering to the essence in the manual as a guideline for operation.

The company has the Audit Committee, the Supervisory Committee, and the Internal Audit Unit, to ensure compliance with the good governance policy. A follow-up has been scheduled in a year plan of the company. On a quarterly basis.

3.3 Conflict of Interests

The Board of Directors has clear guidelines for managing the avoidance of conflict of interests prudently and reasonably, and in order to confer the greatest benefits for the Company and the shareholders. Transactions which might entail conflicts of interests have been notified by the Company and the resolutions disclosed specifying the value of the transaction, the contractual party and reasons of necessity for entering into such a transaction in accordance with the rules of the Stock Exchange of Thailand. The interested Directors have left the meeting room and did not vote on such agenda so as to ensure independence in decisions and information were disclosed immediately in the interest of transparency.

Connected transactions would be considered by the Board of Directors meeting on the suitability of the transaction and the Audit Committee would give its approval for the disclosure of information in Form 56-1 and the Annual Report. In 2021, the Board of Directors has approved 2 connected transactions and 1 asset disposal transaction which has complied with the established rules, including transactions not exceeding the approved limit (Details appear in the section “Related Items (Connected transactions)”

3.4 Promotion of Social Responsibility, Environment, and Human Rights

The Company realized on the importance of social responsibility and environment in parallel with the business operation. Therefore, the Company focuses on fostering quality of life in surrounding communities, human rights awareness, and fair employment in the sustainable ways. (details are shown in “Article 3 Roles of stakeholders” in annual report).

3.5 Internal Control and Audit Internal Control

Internal Control

The Board of Directors attaches importance to and has installed a control system that cover all

aspects for operations, financial reporting and compliance with rules, regulations and policies. This is to ensure the operations of the company to meet the goals, regulations, relevant regulations including establishing an inspection mechanism and sufficiently balanced in protecting and maintaining company assets. The internal audit units were entrusted with the duties to inspect the operations of all departments to be correct, concise, prevent corruption and according to regulations to be compliance with the installed internal control systems for subsequent reporting to the Audit Committee and the Board of Directors. Such audit units are independent in the exercise of their functions. The Board of Directors would conduct an annual review of the suitability and sufficiency of internal control systems in all 5 areas, i.e. organization and the environment, risk management, control of executive operations, information and communication system, and monitoring systems.

At the Board of Directors' meeting No. 1/2022 on February 21, 2022, the Audit Committee also attended the meeting to consider the Company's internal control system sufficiency assessment form for the year 2021, it was concluded that The Company has an adequate and effective internal control system. According to the report of the Audit Committee and internal control which is shown in Annual Information Report Form (Form 56-1 One Report) titled "Internal Controls

The Internal Audit

The Board of Directors has assigned the Audit Committee to inspect the sufficiency, appropriateness, and effectiveness of the internal control system. The results of the internal audit should be reported to the Board of Directors and shareholders. Moreover, the Internal Audit Unit, separated as one unit of the company, should reports directly to the Audit Committee, which has assigned

Mrs. Warassaya Boonchujaras, the Secretary of the Audit Committee, was appointed as the Manager of the Internal Audit Unit.

Profile in brief

Education : Bachelor in General Management, Bansomdejchaopraya Rajabhat University

Work Experience : 2021 – Present :- Unit Chief of Internal Audit Unit
2014 – 2021 :- Internal Audit officer
1994 – 2013 :- Accounting Dept. officer

Responsibility : the review and assessment of sufficiency and effectiveness of the internal audit using standard auditing measures in proposing improvement for the added value of the organization, and simultaneously supporting the good corporate governance.

In 2021, the Audit Committee has effectively performed their responsibilities as assigned. Has an internal audit unit as a tool to help support the mission to be completely accomplished. The evaluation of internal control system revealed that there were some issues to be improved as well as recommendations for corporate operation, which were presented to the Board of Directors in the quarterly meeting.

The Internal Audit Unit will report a follow-up and cross-check result of the internal management to the Audit Committee every quarter. In 2021, the Audit Committee had arranged 5 meetings and reported to the Board of Directors every quarter. The Audit Committee has reported their views on the adequacy of the company's internal audit and risk management system in the Annual Report (Form 56-1, One Report)" attachment No.6 "Corporate Governance Report of the Audit Committee"

3.6 Risk Management

The risk management is a policy implemented systematically in the organization under the supervision of the Risk Management Committee comprising the Independent Directors, Managing Directors, and Executive Directors.

In this regard, the Top-Level executives of each department have been appointed as a commission responsible for the risk management according to the policy and assigned duties. The report on risk management is presented to the Audit Committee, the Board of Directors and the Executive Board. The Board of Directors permits the Non-Executive Directors to conduct their meeting without attendance of the management unit. If necessary, they can propose statement of necessity to the Board of Directors to be considered. Whenever there is a significant risk or an irregular transaction. These proceedings are taken to ensure that the level and magnitude of damages that could occur are maintained within acceptable, assessable and controllable levels for the organization that can be systematically inspected with due consideration to the Organization's goals.

In 2021, the Risk Management Committee arranged totals 4 meetings and report to the Audit Committee, Executives Committee, and Board of Directors in every quarter. Such report regards opinion and consideration which approved from all committee and benefit to company operation. The company has disclosed the guidelines for managing risks in the topic "Risk factors" and "the Risk Management Committee report" of this annual report.

4. Board of Directors Meetings

4.1 The Board of Directors had determined that meetings shall be held at least once in every quarter. A schedule of Board of Directors meetings is prepared one year in advance wherein the agenda are clearly stated. The Company Secretary would submit such schedule in the December of each year.

4.2 The submission of documents at least 7 days prior to the meeting date so as to give the Board of Directors sufficient time to consider and examine the data prior to attending the meeting.

Except in the event of urgency for the protection of the Company's interests where notice may be given less than 7 days. Each meeting would last approximately 2 hours.

4.3 Directors are able to express opinions openly and independently. The Chairman of the Board of Directors would compile the opinions and conclusions obtained from the meeting. The resolution shall be done by major vote. Each member has one vote. Interested Directors in each agendum would abstain from voting or abstain from giving an opinion or be absent from the meeting. If the votes are equal, Chairman of the meeting shall cast one vote to be decisive.

For passing the resolutions on each agenda, it must contain two-thirds of company directors.

4.4 The board of directors pays more attention on management of conflict of interests of all stakeholders by entirely disclosing information. A director who has conflict of interests must not participate in such agenda.

4.5 In a meeting of the Board of Directors, if there is a query or a need to obtain additional information from relevant persons, the Managing Director would invite a high level executive officer to give an explanation. In case of information required, company directors can contact company secretary.

4.6 The Board of Directors allows non-executive directors to held meetings amongst themselves in the absence of the management in necessity and present to the board for acknowledgement.

After the meeting, The Company Secretary would record the meeting and archive the minutes of past meetings that had been endorsed by the meeting and verified by signatures of the Chairman of the Board

of Directors. In additional, company directors can express opinion or amend on the minutes of the meeting.

Minutes of Board of Directors meetings and committee meetings are made in writing. Such documents are archived in original document format at the Company Head Office for convenience of reference.

In 2021 , the meeting held as following;

- The Board of Director held 6 meetings with all directors attended not less than 80 percent of the meeting time, during the chairman's meeting, sufficient time was allocated to discuss important issues. It also encourages all directors to express their opinions constructively and independently. careful discretion is exercised. (details are provided in Management Structure topic)

- The Audit Committee and internal audit held a meeting with company auditor at least once in a quarter. The representatives from management team also attend the meeting.

- Audit Committee had the meeting with management team independently by brain storming and opinions expressing. Such minutes was reported to the board of directors.

- The Corporate Governance Committee agreed and proposed to the Board of Directors and support the non-executive directors to freely convene meetings

In addition, the company has a policy to encourage non-executive directors to hold meeting amongst themselves as appropriate at least once a year. The meeting is held without the management or executives attending the meeting in order to provide opportunities for non-executive directors to debate or discuss with various issues related to business operations Or any other matter as appropriate.

In the year 2021, Non-Executive Directors held a meeting without management and executives attended in the meeting for 1time on 21st . December 2021 for the third consecutive year.

5. Remuneration of the Directors and Executive Officers

The Remunerations Committee would determine the appropriate remunerations limit after taking into account the experience, duties, scope of roles and functions, participation and responsibilities of each Director for proposal to the Board of Directors and to the meeting of shareholders for approval of such remunerations limit.

The remuneration of the CEO / Managing director is in accordance with the criteria and policy set by the Remuneration Committee. The Remuneration Committee considers the remuneration of the Chairman of the Executive board / Managing Director, including salary, bonus and annual remuneration.

In 2021, the Managing Director did not receives monthly salary/remuneration and also did not receives bonus and annual remuneration for the year 2021.

Remuneration for executives is in accordance with the principles and policies set by the Remuneration Committee based on each performance, duties and responsibilities.

(The criteria and policy of remuneration to each Director and Executive are disclosed in "The Management Structure topic "Remuneration for directors and executives").

6. Succession Plan

The company has succession plan for all positions in management level. The process starts from nominate appropriate persons with transparency manner, then develop and train such person continuously, and assess their performance. In this regard, company aims to build executives officer who have knowledge, capability, and be leader and specialist together with honesty. The company believes that its operation will run continuously and effectively.

The Board of directors prepare personnel to be successor to replace the senior management positions and the highest management level of all departments, the succession plan is as follows:-

6.1 The criteria for Top-Level management (Executive directors) are as following;

1. Provide the explanation of chief executive officers regarding goal and company's strategies and specific required qualifications.
2. Select secondary executive officers who have vision, knowledge, and capability.
3. Analyze qualification of each executive officer for seeking strong points and thing that need to be improved.
4. Make development plan for each executive officer for promoting their potential and capability.

The Company has conducted monthly meeting moderating by Executive board, Top-Level management, and Secondary executive (being successor) including Chairman of the company (who is the Chairman of the Nomination Committee) as a part to support the succession plan.

In this regard, the Nomination Committee and the Executives board continuously follow and evaluate the operation of person who would be assigned to be next Executive, for give approved and after that, present to the Board of Directors for next approving .

6.2 The highest management position of the department are as following position:

1. To develop the visions, knowledge and skills of the potential Executives and to promote them as Chief executives respectively.
2. To provide more academic knowledge and hands-on trainings.
3. To allow the secondary executives to collaborate and attend the meeting with Top-Level management.
4. To select the secondary executives of high potential to succeed and place in the appropriate positions.
5. To prepare personnel with specific capabilities to have more comprehensive management capabilities.
6. To provide middle management to have more opportunity to manage their duties at the level of work.
7. To conduct systematic trainings in every department
8. To train the Top-Level management and middle management to work with responsibilities and honesty focusing on the corporate image to become an executive sequentially.

Apart from this, the company provide the meeting among the Managing Director, Chief Executives, and nominated Executives (acting successor) which has been conducted every month. In addition, The Annual Meeting also has been conducted to stipulate the missions for the next year in order to reinforce collaboration and raise awareness of organizational management as a part in succession plan.

7. The operation of anti-corruption

The company advocates for anti-corruption and anti-fraud practices, as well as raises awareness, value, good attitude and honesty to directors, executives, and employees. A part of anti-corruption management plan is risk evaluation on working process in every department. In this regards, the internal audit department acts as an assessor.

In 2021, Risk management committee had quarterly report on anti-corruption, which there was no abnormal found.

The company has communication channel for advertising on anti-corruption policy as following'

- Orientation new employees
- Manual of good corporate governance policy
- Company's website, intranet and billboard
- Publish Animation VDO

Besides, the company expands anti –corruption policy to business partners in order to run business with transparency and fairness.

8. A Survey of Corporate Governance Practices among Listed Company

In 2021, Thai Institute of Director associated (IOD) with Securities and Exchange Commission Thailand and Stock Exchange of Thailand in a survey of corporate governance practices among listed company in 2021, the total listed is 616 companies, by evaluation from Annual Report 2019 and information disclosure in 2020. The survey result for the Company was **“Excellent”**.

Score	Meaning
90-100	Excellent
80-89	Very good
70-79	Good

Number of Evaluating Criteria;

Categories	Evaluation criteria (clause)		Weight (%)	
	2021	2020	2021	2020
1. Rights of Shareholders	32	32	15	15
2. Shareholder's Equality	19	19	10	10
3. Rights of Stakeholders	29	29	20	20
4. Transparency and Disclosure of Information	53	53	20	20
5. Responsibility of the Board	108	108	35	35
Total	241	241	100	100

Details of Corporate Governance Evaluation

Categories	2021 (%)	2020 (%)	2019 (%)
1.Rights of Shareholders	92	92	92
2.Shareholder's Equality	99	99	99
3.Rights of Stakeholders	94	94	94
4.Transparency and Disclosure of Information	94	96	96

6.2 Business ethics

The company operates under business ethics by adhering to responsibility and taking into account all groups of stakeholders with integrity, transparency and accountability, The Board of Directors has established a good corporate governance policy in written documents as guideline for operation

In the past, the Company aims to create knowledge and understanding of good corporate governance principles and create awareness of applying good corporate governance principles in their operations for directors, executives and employees of the company to use it as a framework and guideline. However, the company communicates “Good Corporate Governance Principles, Corporate Governance Policy, 8 Principles of Good Corporate Governance, Business Ethics, Code of Conduct for Company Directors, Executives and employees” as well as complaint channels. on the company website.

Be able to study additional information “Principles of Good Corporate Governance” on the Company’s website www.pg.co.th under the topic “Good Corporate Governance”



6.3 Major changes and developments in policies, practices and corporate governance in the past year

Applying Good Corporate Governance Principles for Listed Companies 2017 The Board of Directors acknowledges the principles of good corporate governance for listed companies CG Code 2017 and realizes the role of the leader in creating sustainable business value. Regarding the Board of Directors Meeting No. 6/2017 held on December 27, 2017, the CG Code was considered in order to apply the principles for proper practice. Both are beneficial to create sustainable value for the organization. It is deemed that it is a useful practice for the Board of Directors as the leader or the highest responsible person of the organization to apply it to the context of the organization. The Board of Directors has approved the revision of the Good Corporate Governance Manual according to the principles of good corporate governance For listed companies in the year 2017 of the Securities and Exchange Commission (CG CODE), which consists of 8 principles as follows:

- Practice no.1 Awareness of the Board’s Responsibility as an Organization leader who creating sustainability to organization
- Practice no.2 Defining objectives and business goals of possible entity for sustainability
- Practice no.3 Encouraging the Board to achieve its duties effectively
- Practice no.4 Nominating and developing Executives level and Human Resource Management
- Practice no.5 Promoting its innovation and Operating business with responsibility
- Practice no.6 Arranging the internal control system and risk management
- Practice no.7 Keeping credibility and disclosing significant information
- Practice no.8 Supporting the participation and communication with shareholders

However, for the practices that are not suitable for the Company’s business operations, The Corporate Governance Committee is presented and reviewed annually in the Board of Directors’ Meeting No. 5/21, the Board of Directors reviewed the management’s best practices and employees involved according to

the principles of good corporate governance in order to be appropriate for the situation and the business environment that may change.

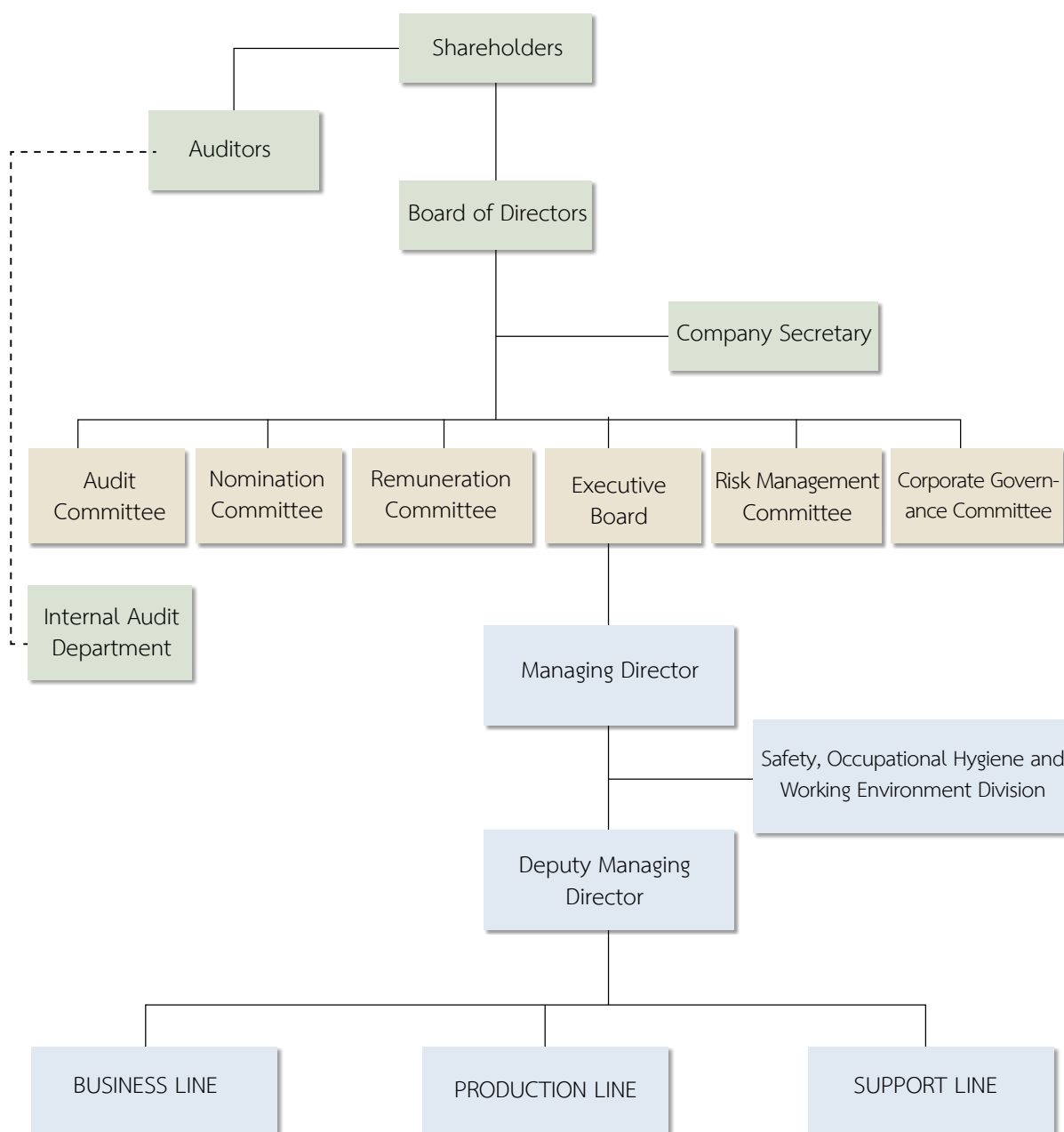
In 2021, the Corporate Governance Committee introduced IOD's recommendations to the Board of Directors to develop the corporate governance of the listed company (CGR project). The Company has implemented the recommendations of the IOD by considering the appropriateness except some principle that company has differently chosen to use as following explanation ;

Principles	Company Statements
Chairman of the Board of Directors should be Independent Director	The Board of directors ensured that Chairman has strictly performed his duties with understanding of good corporate governance principles. Therefore, a non-executive director is appointed to act as the Chairman of the Company who expertise in company's business. Although, the chairman is not an independent director but performed the duties independently. All directors are given the opportunity to freely express their opinions and present useful recommendations to the organization.
The Board of Directors should specify the number of listed companies that each director can hold which is not more than 5 companies	The Company does not limit the number of companies for each director held the position in such company because the Nomination Committee will consider appointing a person to be the Company's director by considering on his knowledge, ability and sufficient time to perform duties for the company. <u>In 2021, the Company does not have any director holding directorship in more than 5 listed companies.</u>
The Remuneration Committee should mostly consist of Independent Directors (More than 50%)	The Remuneration Committee consists of Independent Directors, Non-Executive Directors, and Executive Directors counting as 33.33%, 33.33% and 33.34% consecutively. The Board of Directors agree that all members of the remuneration committee feel free to express their opinion perform their duties with transparent and fairness. The composition of these committees is therefore appropriate.
The Nomination Committee should entirely and/or mostly consist of Independent Directors (More than 50%)	The Nomination Committee consists of Independent Directors and Non-Executive Directors counting as 33.33% and 66.67% consecutively. The Board of Directors agree that all members of the remuneration committee fell free to express their opinion perform their duties with transparent and fairness. The composition of these committees is therefore appropriate.
The Board of Directors should set Independent Directors term not more than 9 years.	Independent directors perform the counterbalance management transparent, and adhere to the management under good corporate governance. The Board of Directors does not set a policy to limit the number of years in the position of independent directors, since the independent directors of the company able to perform their duties independently. They have no personal interests that may conflict with the interests of the company and they can make decisions based on the best interests of the company As well as being independent from the Company's management and major shareholders.

7.

Corporate Governance Structure and Important Information about the Board of Directors, Sub-committees, executives, employees and others

7.1 Management Structure



7.2 Information about the board of director

The Board of Directors consists of persons who are recognized knowledge and abilities. They play a key role in setting objectives, goals, business Policy, The Company's risk management, and important policies and plans are reviewed annually. Moreover, the board of director play an important role in the allocation of key resources according to goals as well as supervise and evaluate the Company's performance to achieve its goals.

Composition of the Board of Directors

There are 12 members of the Board of Directors whose names are shown in the Affidavit issued by the Ministry of Commerce as follows.

- Non-Executive Directors, consisting of 5 members
- Independent Directors, consisting of 5 members
- Executive Directors, consisting of 2 members

Name	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	Corporate Governance Committee	Boards of Executive Directors
1. Mr. Boonkiet Chokwatana	Chairman	-	Chairman	Chairman	-	-	-
2. Mr. Chailert Manoonpol	Vice President	-	-	-	Director	-	-
3. Mr. Viritpol Chaithavornsathien	Director	-	Director	-	Director	Director	Managing Director
4. Mrs. Sunan Niyomnaitham	Director	-	-	Director	-	Director	Deputy Managing Director
5. Mrs. Somporn Tiyaiboonsiri	Director	-	Director	-	-	-	-
6. Mrs. Teerada Ambhanwong	Director	-	-	-	-	-	-
7. Mr. Khachornsakdi Vanaratseath	Independent Director	Chairman	-	-	-	-	-
8. Gen. Konecharnart Chunnabhata	Independent Director	-	-	-	Chairman	-	-
9. Mr. Santi Bangor	Independent Director	Director	-	-	-	Chairman	-
10. Mrs. Nuchanart Thammanomai	Independent Director	Director	-	-	-	-	-
11. Mrs. Chortip Pramroj Na Ayudhya	Independent Director	-	Director	Director	-	-	-
12. Mrs. Kityaporn Chaithavornsathien	Director	-	-	-	-	-	-

Remark: The qualifications of independent director and audit committee are in compliance with relevant regulations.

Authorized Directors

The Company's Articles of Association determined the authorized directors signing on behalf of the Company as follows;

- | | |
|--------------------------------------|----------------------------|
| 1. Mr. Boonkiet Chokwatana | 2. Mr. Chailert Manoonpol |
| 3. Mr. Viritpol Chaithavornsathien | 4. Mrs. Sunan Niyomnaitham |
| 5. Mrs. Somporn Tiyaiboonsiri | 6. Mrs. Teerada Ambhanwong |
| 7. Mrs. Kityaporn Chaithavornsathien | |

Provided that two of the above mentioned directors co-sign with the Company's seal affixed.

Function and Responsibility of the Board of Directors

The details of which were disclosed in Corporate Governance 6.1 Overview of Corporate Governance Policies and Practices, Section 5 - Responsibility of Company Directors.

7.3 sub-committees

Regarding company management structure, there is a clear, balanced and verifiable management structure; moreover, there is a power of attorney between the directors of the company, sub-committees and clear management. It is consisting of Board of Directors and 5 sub-committees to help screen important tasks, such as the Audit Committee, Remuneration Committee, Nomination committee, Risk Management Committee, Corporate Governance Committee, and the Executive Committee. That is the management of the company's business, which the powers and duties of the various committees are defined and Managing Director. It is written in the charter and in the powers and responsibilities of the Managing Director which was approved by the Board of Directors meeting. There is a company secretary to perform duties as required by law and as assigned by the Board of Directors as follows:

7.3.1 Audit Committee

Audit Committee established to perform duties to support the operation of Board of Directors in good corporate governance especially in the financial reporting process, internal control system verification process and compliance with applicable laws and regulations.

List and position of the Audit Committee

Name List		Position
1. Mr. Khachornsakdi	Vanaratseath	Independent Director / Chairman of the Committee
2. Mr. Santi	Bangor	Independent Director / Member of the committee
3. Mrs. Nuchanart	Thammanomai	Independent Director / Member of the committee



More information available at details of authority tenure from the Audit Committee Charter which the

7.3.2 Remuneration Committee

List and position of the Remuneration Committee

Name List		Position
1. Mr. Boonkiet	Chokwatana	Chairman of the Committee
2. Mrs. Chortip	Pramoj Na Ayudhya	Independent Director / Member of the committee
3. Mrs. Sunan	Niyomnaitham	Member of the committee
4. Mrs. Kityaporn	Chaithavornsathien	Member of the committee



More information available at details of authority tenure from the Remuneration Committee Charter which the company published on the company website

7.3.3 Nomination committee

List and position of the Remuneration Committee

Name List		Position
1. Mr. Boonkiet	Chokwatana	Chairman of the Committee
2. Mrs. Somporn	Tiyaviboonsiri	Member of the committee
3. Mrs. Chortip	Pramoj Na Ayudhya	Independent Director / Member of the committee
4. Mr. Viritpol	Chaithavornsathien	Member of the committee



More information available at details of authority tenure from the Remuneration Committee Charter which the company published on the company website

7.3.4 Nomination committee

List and position of the Nomination Committee

Name List		Position
1. Gen. Konecharnart	Chunnabhata	Independent Director / Chairman of the Committee
2. Mr. Chailert	Manoonpol	Member of the committee
3. Mr. Viritpol	Chaithavornsathien	Member of the committee
4. Mrs. Sasivimol	Kluyasritrakul	Member of the committee
5. Mrs. Suvimol	Charoensrichai	Member of the committee



More information available at details of authority tenure from the Remuneration Committee Charter which the company published on the company website

7.3.5 Nomination committee

List and position of the Nomination Committee

Name List		Position
1. Mr. Santi	Bangor	Independent Director / Chairman of the Committee
2. Mr. Viritpol	Chaithavornsathien	Member of the Committee
3. Mrs. Sunan	Niyomnaitham	Member of the Committee
4. Mrs. Suvimol	Charoensrichai	Member of the Committee



More information available at details of authority tenure from the Corporate Governance Committee Charter which the company published on the company website

7.4 Information of the management

Board of Directors are responsible for the status of a management established to manage the company's business as assigned by the Board of Directors with responsibility, prudence, honesty as practice guideline to operates the business which should be done under the same circumstances with uninfluenced bargaining power. The Board of Directors Meeting No. 2/21, held on May 10, 2021, resolved to approve the appointment of the Executive Committee of 9 persons.

In 2021, the Executive Committee held 12 meetings which the date and time of the Executive meeting were scheduled in advance throughout the year.

Name List		Position
1. Mr. Viritpol	Chaithavornsathien	Managing Director
2. Mrs. Sunan	Niyomnaitham	Deputy Managing Director and Chief Financial Officer
3. Mrs. Sasvimol	Kluyasritrakul	Accounting and Financial Manager
4. Mrs. Nuchapunporn	Sunthornwiset	Manager, Business1 Division
5. Mrs. Kalayanee	Chantarapikul	Manager, Purchasing Division
6. Mrs. Photchamarn	Engkanisarn	Manager, Business 2 Division
7. Mrs. Suvimol	Charoensrichai	Manager, Share registration / Human Resource
8. Ms. Salinla	Chaiput	Assistant Manager, Accounting Division

Director profile details Disclosed in “Attachment 1 Details of Directors, Executives, Authorized Persons with Controlling Authority and Company Secretary”

Remarks: No. 1-7 are executives according to the definition of the SEC.

Board of Directors hold office for a term of 1 year, starting from May 10, 2021 onwards.

The 8 members of the Executive Committee do not have any prohibited qualifications as follows:

1. There is no criminal record in any offense related to property committed dishonestly.
2. There is no history of transactions that may cause conflicts of interest with the Company in the past year.

Shareholding of the Board of Directors and Executives

Report on the change of securities holdings of directors and the Company's executives as of December 31

Name			Number of common shares (shares)						Increase (Decrease)
			2021				2020		
			Director/ Executive	Spouse / underage child	Total	Percentage (%)	Director/ Executive	Spouse / underage child	
1.	Mr. Boonkiet	Chokwatana	3,386,133	90,000	3,476,133	3.62	3,386,133	90,000	-
2.	Mr. Chailert	Manoonpol	280,000	42,500	322,500	0.34	280,000	42,500	-
3.	Mr. Viritpol	Chaithavornsathien	-	-	-	-	-	-	-
4.	Mrs. Sunan	Niyomnaitham	150,000	40,000	190,000	0.20	150,000	40,000	-
5.	Mrs. Somporn	Tiyaviboonsiri	795,000	60,300	855,300	0.89	795,000	60,300	-
6.	Mrs. Teerada	Ambhanwong	224,550	-	224,550	0.23	224,550	-	-
7.	Mr. Khachornsakdi	Vanaratseath	-	-	-	-	-	-	-
8.	Mrs. Nuchanart	Thammanomai	-	-	-	-	-	-	-
9.	Mrs. Chortip	Pramoj Na Ayudhya	10,000	-	10,000	0.01	10,000	-	-
10.	Gen. Konecharnart	Chunnabhata	-	-	-	-	-	-	-
11.	Mr. Santi	Bangor	30,600	-	30,600	0.03	30,600	-	-
12.	Mrs. Kityaporn	Chaithavornsathien	240,000	-	240,000	0.25	240,000	-	-
13.	Mrs. Sasivimol	Kluysritrakul	33,000	-	33,000	0.03	33,000	-	-
14.	Mrs. Suvimol	Charoensrichai	21,767	52,000	73,767	0.08	21,767	52,000	-
15.	Mrs. Kalayanee	Chantarapikul	11,000	-	11,000	0.01	11,000	-	-
16.	Mrs. Nutchapunporn	Sunthornwiset	5,000	9,000	14,000	0.01	5,000	9,000	-
17.	Mrs. Photchamarn	Engkanisarn	21,000	42,000	63,000	0.07	21,000	42,000	-
Total			5,208,050	335,800	5,543,850	5.77	5,208,050	335,800	-

Policies and guidelines for the remuneration of director and executive

Policies and guideline for company directors' remuneration

The Board of Directors has appointed the Remuneration Committee to determine the remuneration of Company Directors, taking into consideration other companies in the same industry, the growth and performance of the Company and the remuneration limit approved by the meeting of shareholders and remunerations paid in the preceding year, in order to make a proposal to the Board of Directors for consideration and submission to the meeting of shareholders for approval.

Policies and guidelines for the executive directors' remuneration

The Remuneration Committee considered the remuneration of Managing Director and Deputy Managing Director. The compensation is determined appropriately in accordance with the Company's remuneration structure, by considering other companies in same business, company operation, and performance and in consistent with the assigned duties and responsibilities.

Managing Director considers the appropriateness of compensation and annual wage of executives who have level under Deputy Managing Director by considering the performance and company operation together with the ability to achieve goal.

The Ordinary Shareholders Meeting has approved the amount of remuneration of total amount not exceeding 6 million baht per year, which the consideration of such remuneration criteria must be considered by Remuneration Committee and must be approved by the Board of Directors and the amount of not exceeding the approval of the ordinary Shareholders meeting.

1. Monetary Remuneration

1.1 Remuneration for Company Directors

- Annual Remuneration of Company director (All Company Directors)
- Meeting Allowance (Attendance only)
- The remuneration of sub-committee which organized by the Board of Directors is under Board of Directors' discretion by considering appropriateness of functions, duties, and responsibilities.

The details of meeting allowance payment (attendance only) as following;

	2021 (Baht/Time)	2020 (Baht/Time)
The Board of Directors		
- President	12,000	12,000
- Director	9,000	9,000
Committee		
- Chairman	12,000	12,000
- Director	9,000	9,000
Remuneration Committee/ Nomination Committee / Risk Management Committee / Corporate Governance Committee		
- Chairman	10,000	10,000
- Director	8,000	8,000

The details of remuneration paid to Company Directors (individual) for the year 2021 as following;

Name	Position	Meeting Allowance (Baht)						Yearly Remuneration	Total
		Company Directors	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	Corporate Governance		
1. Mr. Boonkiat Chokwatana	President / Chairman of Remuneration Committee / Chairman of Nomination Committee	12,000	-	10,000	-	-	-	100,000	122,000
2. Mr. Chailert Manoonpol	Vice President / Risk Management Committee	9,000	-	-	-	8,000	-	100,000	117,000
3. . Mr. Viritpol Chaithavornsathien	Managing Director / Risk management Committee / Corporate Governance Committee/ Nomination Committee	9,000	-	8,000	-	-	-	300,000	317,000

Name	Position	Meeting Allowance (Baht)						Yearly Remuneration	Total
		Company Directors	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	Corporate Governance		
4. Mrs. Sunan Niyomnaitham	Deputy Managing Director and Chief Financial Officer / Remuneration Committee / Corporate Governance Committee	9,000	-	-	-	-	-	200,000	209,000
5. Mrs. Somporn Tiyaivoolsiri	Nomination Committee	9,000	-	8,000	-	-	-	100,000	117,000
6. Mrs. Teerada Ambhanwong	Company Director	9,000	-	-	-	-	-	100,000	109,000
7. Mrs. Chortip Pramroj Na Ayudhya	Independent Director / Remuneration Committee / Nomination Committee	54,000	-	8,000	8,000	-	-	100,000	170,000
8. Mr. Khachornsakdi Vanaratseath	Independent Director / Chairman of Audit Committee	54,000	60,000	-	-	-	-	150,000	264,000
9. Mrs. Nuchanart Thammanomai	Independent Director / Audit Committee	54,000	45,000	-	-	-	-	100,000	199,000
10. Gen.Konechanart Chunnabhata	Independent Director / Chairman of Risk Management Committee	54,000	-	-	-	40,000	-	100,000	194,000
11. Mr. Santi Bangor	Independent Director / Audit Committee / Chairman of Corporate Governance Committee	54,000	45,000	-	-	-	20,000	100,000	219,000
12. Mrs.Kityaporn Chaithavornsathien	Company Director	9,000	-	-	-	-	-	100,000	109,000
Total		336,000	150,000	34,000	8,000	48,000	20,000	1,550,000	2,146,000

1.2 Remuneration for Executive Directors

The remuneration of Executive Director means the remuneration for the Executive Directors and the forth 4 directors of the executive board ranking from manager and the equal ranks to the 4th executive, totaling 7 persons. The remuneration is paid in salary, bonus, daily allowance, and meeting allowance. The Executive Directors are paid as an employee.

Remuneration	2021		2020	
	Number (Person)	Amount (Baht)	Number (Person)	Amount (Baht)
Salary and Daily Allowance	7	7,963,020	5	7,815,909
Annual Remuneration	7	260,000	5	-
Meeting Allowance	7	-None-	5	-None-
Total		8,223,020		7,815,909

2. Others Remuneration

The Company has no policy to pay others remuneration except the remuneration of directors or employee which shall be paid as usual. There are no shares, debentures or other securities are given to executive directors.

(1) Others remuneration of Company Directors

- None -

(2) Others remuneration of Executive Directors

The forth 4 directors of the executive board ranking from manager and the equal ranks to the 4th executive, totally 5 persons will receive other remuneration in term of provident fund.

People's Garment Public Company Limited has established a provident fund that executives who have joined the provident fund receive a monthly contribution to the fund in the amount of 3 - 5 percent of wages. Members of the fund must also contribute to the fund at the same rate. If in any month a member fails to remit his/her contribution to the fund, the employer is not obliged to remit its contribution for such member in the same month. Upon the expiration of membership, the member would receive the contributions as well as a share of net benefits pursuant to the conditions of the fund.

Remuneration	ปี 2564		ปี 2563	
	Number (Person)	Amount (Baht)	Number (Person)	Amount (Baht)
Provident fund contributed by the Company	5	139,443.60	5	-None-
Total		139,443.60		-None-

In the year 2021, the Company have a contributory fund for top 4 executives according to the definition of the Office of the Securities and Exchange Commission (SEC).

7.5 Information of Employee

Number of Employee

As of December 31, 2021, The Company had totally 695 employees

	Administration		Factory		Total		Monthly Employee		Daily Employee		Total of Employee	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Head office: Bangkok	61	148	5	55	66	203	64	134	2	69	66	203
Lumphun Branch	4	4	48	207	52	211	17	19	35	192	52	211
Kabinburi Branch	5	7	28	123	33	130	20	21	13	109	33	130
Total	70	159	81	385	151	544	101	174	50	370	151	544

Significant labor disputes during the last 3 years

- None -

Remuneration of Employees

In 2021, the Company paid remuneration to all employees in the amount of 141,643,608.82 million baht, consisting of salary, bonus, daily allowance, overtime pay, wages, goal achieve pay, and skilled labor pay as following;

Total remuneration	2021 (Baht)	2020 (Baht)
Salary / Wages	128,102,385.06	127,650,562.90
Bonus and Others	8,335,691.02	7,713,690.87
Provident fund contributed by the Company	5,205,532.74	5,586,027.64
Provident fund contributed by the Company	141,643,608.82	140,950,281.41

Salary and wages

Monthly remuneration which is paid to employees for their performance to work for the company which will be determined by the position, duties and responsibilities towards the organization

Bonus

Special remuneration paid to employees is considered by the Company's operation result. Such remuneration is not be a specific rate and must be approved by the Board of Director annually.

Provident fund

Company has established a provident fund for employee welfare and promoting saving including motivating employees to work with the Company for long term. Employees who have joined the provident fund receive a monthly contribution to the fund in the amount of 3 - 5 percent of wages. Members of the fund must also contribute to the fund at the same rate. Upon the expiration of membership, the member would receive the contributions as well as a share of net benefits pursuant to the conditions of the fund.

Development and Promotion of Employees' Potential

Policy on Employee Development

The Company realized that employees are valuable resources and key factors to success building the Company's sustainable growth. It is thus important to the Company to have qualified personnel. The Company then set the strategy and policy for employee development emphasizing on increment of efficient management and employee development in consistent with environment and technology of the Company's operation. This starts with analysis on demand of manpower supporting the business expansion, increment of competitive capability and various changes of circumstance as well as evaluation on performance, readiness of capability and employees' ability in all level which would be resulting to the continuous and sustainable business' growth.

7.6 Other important information

The company assigned Mrs. Sunan Niyomnaitham, Deputy Managing Director, is the highest responsible person in accounting and finance who is responsible for overseeing the organization's information and financial resources and driving the organization's financial strategy to achieve business goals. Details of the person holding the position of person in charge of accounting and finance of the company appear in Attachment 1.

Company secretary

On September 5, 2008, the Board of Directors approved the appointment of Mrs. Suvimol Charoensrichai as the Company's secretary to comply with the Securities and Exchange Act which is responsible for performing duties as required by law on behalf of the company or the board of directors. The company secretary plays an important role in effective coordination to inside and outside and also must responsibly perform duties with caution and honesty as well as complying with the law, objectives, company articles of association, resolutions of directors, as well as resolutions of the shareholders' meeting, details of the person holding the position of person in charge of the company's accounting and finance are shown in Attachment 1.

Head of Internal Audit

The Audit Committee considers and appoints Ms. Warassara Bunchujaras as the head of the internal audit unit and the secretary of the audit committee to take duty to review and assess adequacy, suitability,

and efficiency of the internal control system in order to be confident that the system complies with audit standards and sufficient independency. The internal audit will give suggestions for improvement to create value-added to the organization and support the company's corporate governance process. The details of the person holding the position of person in charge of accounting and finance of the company appear in Attachment 3.

Head of Investor Relations

The company has established an investor relations unit to be a channel for communicating important information that is useful to shareholders, analysts, investors, and the general public by requiring that the office of the Company Secretary is responsible for investor relations to disclose important information to investors and related parties. For more information be able to contact the Investor Relations Department at:-

Investor Relation unit: Mrs. Suvimol Charoensrichai



People's Garment Public Company Limited

666 Rama 3 Road, Bangpongpang Yannawa, Bangkok. 10120



phone : 0-2685-6509



Fax : 0-2294-5159



E – Mail : suvimol@pg.co.th

Auditor

Payer (Company)		Unit: Baht
Payer (Company)	Name of Auditor	Audit fee
People's Garment Public Company Limited	Mr. Chayapol Suppasetanon	1,260,000.-
Total Audit Fee		1,260,000.-

Non audit fee: - None -

Comparison of audit fees in 2021 and 2020

Unit: Baht		
Type of Audit fee	2021	2022
Fee for reviewing financial statements for the 1 st , 2 nd , 3rd quarters	450,000	450,000
Fee for Annual financial statement audit	810,000	750,000
Total	1,260,000	1,200,000
Copy rights check Examination of compliance with conditions of investment promotion certificates	-	-
All total	1,260,000	1,200,000

8.1 Summary of the performance of the Board of Directors in the year 2021

The Board of Directors has participated in the formulation of visions, policies, business plans with the commitment to conduct business with fairness and responsibility to all stakeholders under the framework of good corporate governance principles as well as supervise the management to effectively operate in accordance with the established strategic plans both innovation and technology which have been applied appropriately.

In 2021, the Board of Directors has played an important role in formulating policies and strategies that lead to increased business competitiveness as follows:

- Review the charter of the Board of Directors, sub-committees to define the scope of duties in accordance with the Good Corporate Governance Principles for Listed Companies 2017 (CG CODE). In addition, to be accordance with the business conditions that has been changed in order to increase the Company's competitiveness
- Tracking the implementation of the established strategy which the Board of Directors has monitored the practice through meetings of the Board of Directors meeting in quarterly basis that are reported by the Executive Committee.
- Internal Control and Internal Audit, the Board of Directors realizes the importance of internal control and internal audit systems by establishing an effective internal control system in consistent with risk levels that is acceptable. Moreover, the board of director assign the Audit Committee to regularly review and follow up the performance to build confidence for executives and all stakeholders.
- Risk Management, the Board of Directors is responsible for overseeing the management of risks that may affect business operations. The risk management committee was established to perform duties and be responsible for supervising and promoting effective risk management. It is including considering significant risks as well as formulating action plans, monitoring, and continual evaluation to reduce the risk level to be an acceptable level by organizing a meeting of the Risk Management Committee to assess the level of risk along with corrective action to reduce the risk level and report to the Board of Directors quarterly.
- Review anti-corruption policy to improve practices and compliance in order to comply with the corruption policy including communication and training in accordance with the self-assessment to develop an anti-corruption system of the Thai Private Sector Coalition Against Corruption (CAC), revised version 4.0
- Prevention of conflicts of interest of directors, executives, and major shareholders. The Board of Directors has established management tools to ensure that the Company manages its business with efficiency and transparency for the best interests of shareholders by ensuring that there is no conflict of interest in the operation. If a director or executive has a stake in any matter, it must be disclosed the matter entirely.

- Promoting innovation, the Board of Directors attaches great importance to promoting and supporting the adoption of innovation and technology to be used to build competitiveness and create value for the business according to the current environment. This is to respond to the needs of all stakeholders which the Board of Directors supervises the management to take part in the review of strategy and improvement planning in the work process including follow up the performance.
- Sustainability Development, the Board of Directors plays a role in supporting the Company's business operations according to the principles of good governance and to create balance in view of economic, social, and environmental dimensions. This philosophy of sustainable business development has been instilled and molded into every operational process of the organization to foster a balance between business operations, caring for the environment, and creating well-being with communities and society

Recruiting, developing and evaluating the performance of the Board of Directors

Recruiting, developing and evaluating the performance of the Board of Directors according to the principles of good corporate governance which is great importance. This is because the Board of Directors plays an important role in formulating strategies and business guidelines for sustainable growth. The company has disclosed details about the rules and different processes regarding the nomination of directors, please see section 6.1 Overview of Corporate Governance Policy and Guidelines under section 2. Sub-committees.

Meeting attendance

The Board of Directors must attend meetings regularly to acknowledge and jointly decide on the Company's business operations which requires the meeting to be held at least once in a quarter by pre-scheduling the meeting annually and having a clear agenda and notify each director to allocate time to attend the meeting and there may be additional special meetings to consider urgent matters.

In 2021, 6 meetings were held to consider various matters. The chairman who act as chairman of the meeting allocates sufficient time for the meeting and to allow each director to express their opinions independently.

In addition, the Company arranges a meeting among non-executive directors without the management attending the meeting. After the completion of the annual meeting. In 2021, the meeting was held without management on December 21, 2021.

Table showing the meeting attendance of the Board of Directors and sub committees for the year 2021

รายชื่อ	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	Corporate Governance Commit	Boards of Executive Directors	Non-Executive Directors	AGM 42 27/4/2564
1. Mr.Boonkiet Chokwatana	6/6	-	2/2	2/2	-	-	12/12	1/1	1
2. Mr. Chailert Manoonpol	6/6	-	-	-	4/4	-	-	1/1	1
3. Mr. Viritpol Chaithavornsathien	6/6	-	-	2/2	4/4	2/2	12/12	-	1
4. Mrs. Sunan Niyomnaitham	6/6	-	2/2	-	-	2/2	-	-	1
5. Mrs. Somporn Tiyaviboonsiri	6/6	-	-	2/2	-	-	-	1/1	1
6. Mrs. Teerada Ambhanwong	6/6	-	-	-	-	-	-	1/1	1
7. Mrs.Chortip Pramroj Na Ayudhya	6/6	-	2/2	2/2	-	-	-	1/1	1
8. Mr. Khachornsakdi Vanaratseath	6/6	5/5	-	-	-	-	-	1/1	1
9. Mrs. Nuchanart Thammanomai	6/6	5/5	-	-	-	-	-	1/1	1
10. Gen. Konechamart Chunnabhata	6/6	5/5	-	-	4/4	-	-	1/1	1
11. Mr.Santi Bangor	6/6	-	-	-	-	2/2	-	1/1	1
12.Mrs. Kityaporn Chaithavornsathien	6/6	-	2/2	-	-	-	-	1/1	1
13. Mrs. Sasivimol Kluysitrakul	-	-	-	-	4/4	-	12/12	-	1
14. Mrs. Nutchapunporn Sunthornwiset	-	-	-	-	-	-	12/12	-	1
15. Mrs. Photchamarn Engkanisarn	-	-	-	-	-	-	12/12	-	1
16. Mrs. Kalayanee Chantarapikul	-	-	-	-	-	-	12/12	-	1
17. Mrs. Suvimol Charoensrichai	-	-	-	-	4/4	2/2	12/12	-	1
18. Ms. Salinla Chaiput	-	-	-	-	-	-	12/12	-	1

Director's Remuneration

The Board of Directors assigns the Remuneration Committee to consider the limitation of the Board of Directors' remuneration and sub-committees to be at an appropriate level to the responsibilities of each director based on experience, responsibilities, scope and roles participation. According to the information presented in the topic "7.4 Information on Executives : Policy on Remuneration of Directors and Executives"

Prevention of conflicts of interest

The Company realizes the importance of dealing with conflicts of interest of stakeholders with prudence, fairness, reasonableness and transparency by defining various policies and practices which conflicts of interest are clearly stated as follows:

1. To operate conflicts of interest or connected transactions prudently, fair and reasonable with a transparent process for approval to enter into transactions by taking into account the interests of the company as important. Directors with stakeholders do not have the right to vote and disclose information in its entirety according to the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand
2. Upholding the interests of the company under the law without doing anything which is a conflict of interest with the company including no benefit or give special privileges to any person.
3. Company directors and executives must report their interests and related parties according to the prescribed criteria.
4. Company directors, executives and employees who are in the department that is aware of internal information, So any trading in the Company's shares is prohibited for one month prior to the disclosure of the financial statements to the public.
5. To define that company directors, executives, and their spouses and underage children has a duty to report securities holdings and changes in the Company's securities holdings to the Board of Directors at the next Board of Directors' meeting.
6. Do not disclose or pass on company information or secrets or has been known to third parties or those who are not related.
7. Disclosures must be made by authorized employees of the company or may be define classes of confidentiality that may be assigned based on the importance of the information and the information provided must be within the framework of the duties and responsibilities assigned.
8. The company has set a policy for directors and senior executives to notify the chairman of the company about the trading of the company's shares at least 1 day in advance of trading.

Supervision of the use of inside information

The Company has clearly defined measures to prevent misuse of inside information in writing in the manual. "Good Corporate Governance Principles" with relevant measures such as prohibiting directors, executives and employees who are related to inside information including spouses or those who live together as husband and wife and underage children buying and selling the Company's securities during the 1-month period prior to the disclosure of the financial statements (Blackout Period) before the quarterly financial statements are disclosed and annual financial statements and within 24 hours of disclosure of financial statements. This is including reporting on changes in securities holdings of directors and executives as required by the SEC, and regularly reporting on board meetings.

Anti-Corruption Policy and Guidelines

The Company demonstrates its commitment to anti-corruption by stipulating the “Anti-Corruption Policy” and “Anti-Corruption Policy Compliance” in writing clearly along with creating awareness attitudes to Directors, management, and staff in working with honesty such policies have been reviewed for appropriateness by the Board of Directors annually.

In 2021, the Board of Directors No. 6/21, dated December 21, 2021, has reviewed with amendments to the “Anti-Corruption Policy” and “Anti-Corruption Policy Compliance” to be consistent with the self-assessment form, revised version 4.0 of the Private Sector Collective Action Coalition Against Corruption (CAC), as well as improving and developing the Company’s action plan.



To study more information, define the “anti-corruption policy” and “compliance with the anti-corruption policy” on the company’s website www.pg.co.th under the heading “Corporate Governance. Good > Anti-Corruption”

Whistle Blowing Policy

The company provides channels for receiving complaints and notifying clues from both inside and outside the company and to deal with complaints appropriately and set up measures to protect and maintain the confidentiality of complainants. Details are in the section “6. Corporate Governance Policy : 6.1 Overview of Corporate Governance Policies and Practices Section 3: Consideration of the Roles of Stakeholders ”

8.2. Report of the performance of the Audit Committee in the year 2021

The Company has appointed the Audit Committee who are all independent directors to verify the correctness ,adequate disclosure and reliability of financial statements, Corporate Governance, and Internal Control of the Company in 2021, which details the obligations as stated in “Item 6.1 Overview of Corporate Governance Policy and Guidelines under Item 2. Sub-Committees”

8.3. Summary of the performance of other sub-committees

In 2021, the company disclosed the meeting information and report on the performance of the Risk Management Committee, Corporate Governance Committee, Nomination committee, Remuneration Committee Details can be found in “Attachment 6 and “ Item 6.1 Overview of Corporate Governance Policies and Practices under Item 2. Sub-Committees ”

9.1 Internal controls in 2021

The Board of Directors considered the sufficiency of the internal control system for the year 2021. It was jointly agreed on Board of Directors Meeting No. 1/2022 on February 21, 2022.

The Audit Committee considers the Company's internal control system by the Internal Audit Department reports a summary of the internal audit performance for the year 2021 according to the quarterly and annual summary reports, independently reporting directly to the Audit Committee. There are observations from the work activities that the Audit Committee had a meeting with the management to discuss together to consider the practice guidelines revision and monitoring improvements.

The Audit Committee Meeting 2021, totaling 5 times, agenda of the meeting to is to consider the financial statements, The Audit Committee had questions to discuss with the Company's auditor regarding important matters of financial reporting standards and accounting standards that affect the financial statements for preparation to be compliance with relevant requirements and to consider the Company's business results during the COVID-19 epidemic by closely monitoring news events. In this regard, the Audit Committee has made suggestions to the management in order for the company to have an appropriate and sufficient internal control system for accurate financial reporting

The Company's Accounting and Finance Department has clearly explained and reported on the practice guidelines for financial reporting to show accounting numbers to correctly comply with accounting standards in accordance with the prescribed accounting principles.

Summary of the annual internal audit results for the year 2021, the Internal Audit Department independently reports to the Audit Committee. A summary of the significant internal audit results was presented to the Company's management for acknowledgment in order to discuss solutions together for the appropriate corrective measures. The Audit Committee considers solutions to important matters including recommendations to the executives for the management. Regarding the year 2022, the Audit Committee expressed opinion and recommended the Company to determine indicators of the management's expectations, goals and company policies on management so that the operating process can clearly reflect the results in order to be able to manage it timely and to generate benefit to the company; moreover, it can support the administration as well. The Audit Committee has assigned the Internal Audit Department to perform assessments and follow up the result by setting goals of the internal audit plan for the year 2022, and to implement the internal audit, supporting the management according to the Company's objectives

The sufficiency of the internal control system, the SEC assessment form for the year 2021, the board of directors considered the COSO principles which composes of all 5 components with 17 principles, namely control environment, risk assessment, control activities, information & communication, and monitoring activities. The internal organization management of the company is implemented in compliance with transparency processes, and the processes of organizational communication are adopted clearly. Moreover, the internal auditors are responsible for reviewing the sufficiency of internal control and monitor the solving results consistently.

1. **Control Environment** The company has established a new organizational structure to optimize the operation and supervising management team to implement to the right direction and suitability to archive business goal by adhering to balancing of power, transparently, and efficiently organize its works as well as to support operational process to be clear and precise, including to promote continual development of operations within the framework of well internal controls.
2. **Risk Assessment** The Risk Management Committee perform duty to manage the oversight activities which could have a significant impact on the organization together with regularly review risk management measures. In this regard, the risk management committee presented risk reports for business activities and operations and quarterly risk management measures for anti-corruption that is for transparent management and safe business operations.
3. **Control Activities** The executives manage and monitor to ensure that the operations are compliance with the Company's policy framework, regulations and directives in order to have a sufficient internal control system especially the procurement process, internal contact, external work in the form of business activities, preparation of financial reports, The management regularly review the practice guideline in term of meeting so that the operation are correct and consistent in compliance with the business model.
4. **Information & Communication** The information system has been developed to support working process, administration, production management, sales management, other related sections, internal communication system, and external communication to support work efficiency and the management can adopt the information for more efficiency and ability to use the information to make decisions quickly and correctly.
5. **Monitoring Activities** The administration has been reviewed and monitored regularly; moreover, the meeting is set up to monitored the situation of COVID-19 pandemic to prepare a plan to support defined preventive measures and supervise all employees to acknowledge the company policy which is considered as a common practice. In addition, the internal audit perform duty to investigate and assess performance for achieving defined objectives in compliance with good governance, regulation of Stock Exchange of Thailand, company's policy and related regulation and law. The internal audit section reports directly to the audit committee. The Audit Committee considers the notice, provide suggestions and opinions to the Company's management to develop and improve for better internal control system.

The sufficiency of the Company's internal control system in 2021, The Company has provided the development of work systems, review of important work processes and improve work in accordance with the Company's business activities and operational Risk Management including the risk of corruption on a regular basis to ensure transparency, accuracy, and clarity of financial reporting in compliance with the Stock Exchange of Thailand regulations and relevant law, so the Board of Directors jointly resolved to approve the meeting resolution.

9.2 Connected Transaction (Related Transaction)

Significant Related Transactions with Persons who may have Conflict

In 2021, the Company (PG) had significant related transactions with persons who may have conflicts with necessity and reasonableness as following details.

Transactions on Assets and Services / Real Estate Rental (not more than 3-year period)

Related Company	Type of Relationship	Shareholding Percentage (%)		Key Description of Transaction	Value of Transaction (Million Baht)
		PG (%)	Company Related to PG (%)		
Thai Sport Garment Co., Ltd.	A , B	19.00	-	Rental income	5.01
				Consultancy fee income	1.20

Nature of relationship: A = Co-majority shareholder

B = Co-director

Remarks: According to the Board of Directors Meeting No. 8/2020, held on Monday 23rd December 2020 approved execution of transactions for Asset and Service of connected persons (For the year 2021) which a director who is a Connected person and that does not attend the meeting and has no rights to vote.

Policy on Related Transaction

Regarding related party transaction, the Company operated the transaction with ethical practice and fairness complying with market prices as well as fair and at arms' length likewise determination to other non-related person or business.

Transaction	Remuneration Policy
Rental Income	The Remuneration is set following to market price depending on the location, physical condition and asset utilization.
Consultancy Fee Income	The remuneration is set by difficulty and scope of services.

The Volume of the Transaction

Such transaction is connected transaction with related companies which is a connected transaction under the announcement of the Stock Exchange of Thailand regarding disclosure and operation of listed companies in the connected transaction B.E. 2546 category No.4. The transaction volume is more than Baht 1 million but less than Baht 20 million; or, more than 0.03% but less than 3% of Net Tangible Assets (NTA), whichever is higher. **โดยจะสูงกว่า**

Opinion of the Board of Directors and Audit Committee

In case of significant inter-transaction, the Company has a policy to take such matters into the Board of Directors meeting to consider approving or giving approval to present to the shareholders' meeting based on transaction volume. However, to consider inter-transaction, the Board of Directors will consider the reasonability of the price and other relevant conditions for maximum benefit to the company.

In 2021, Independent directors and the board of directors have opinions on the related transactions by approval of Transaction related to assets and services including lease or rental of movable properties (not over 3 years) as above mentioned had been approved because of the reasonable prices and other relevant conditions. The transaction volume is more Baht 1 million but less than Baht 20 million; or, more than 0.03% but less than 3% of Net Tangible Asset (NTA), whichever is higher provided that it must be approved by the Board of Directors and disclosed the information to Stock Exchange of Thailand without approval of the Shareholder.

Approval Procedures of Related Transaction

1. In the event of a connected transaction being a regular transaction, the management requested for Board of Directors Meeting, approved the authorization to management for those transactions under normal trading terms that would be reasonably made between parties generally in the same circumstances and under trade bargaining powers free from influence in the capacity of being a Director, executive officer or connected person. In this regard, the management would make regular reports of all transactions under such conditions for the acknowledgement of the Board of Directors Meeting every quarter.

2. In the event of a connected transaction not being a regular transaction, if the value of the transaction does not require the approval of the meeting of shareholders under the Regulations of the Stock Exchange of Thailand, it will first be considered by the Executive Committee of the Company. If the value of the transaction is within the authority of the Executive Committee, approval of the connected transaction would be complete at this stage where in the interested person would not participate in the meeting and cast vote. However, if the value of the connected transaction exceeds the authority of the Executive Committee, the Executive Committee would summarize its resolution and make a submission to the Board of Directors, also attended by the Audit Committee, for approval. Also in such a meeting, the interested person would not participate in the proceedings and cast votes.

The Board of Directors considers transaction that might have conflict of interest or related transaction appropriately. Such related transactions are reviewed by Audit Committee. Moreover, the Company discloses details of transaction that might have conflict of interest to public accurately and completely according to the notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 regarding “Rules for Connected transaction”

After the completion of the meeting, the Company informed the resolutions and complied with all the requirements under the notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand before entering the transaction. The execution of transaction was reported to the Stock Exchange of Thailand and published in the Company’s website: www.pg.co.th both in Thai and English.

Necessity and Reasonableness of Transaction with Persons who may have Conflicts

Doing business under intense competition, the Company should rely on partnerships or business networks, both upstream and downstream to increase the strength and business potential. This will lead to development and sustainable growth.

Although, partners or business networks may be a person who may have a conflict, The Board of Directors should consider the necessity and appropriateness of entering into such transaction, by taking advantage of the Company’s importance. The trading price is normal. It does not act to distribute the Company’s interests to persons who may have a conflict of interest.

The Board of Directors follows the Securities and Exchange Act (No. 4) B.E. 2551, Section 89/12, after the annual general meeting of shareholders, the Board of Directors has approved the principle that the management can approve the normal business transactions and support items with commercial agreement in the same way that a normal person would treat a counterparty in the same situation with the bargaining power without the influence of being a director, company, executive or related person. The transaction shall be reported to the Board of Directors on a quarterly basis.

Policy on Related Transaction in the Future

The Board of Directors has been aware on each responsibility as a director of the Public Company against the shareholders, employees and all stakeholders in compliance with Good Corporate Governance principle. The Company’s related transaction in the future would be a regular transaction with normal trading terms under trade bargaining powers of the market and business. It is fairly and free from transferring interest between the Company and related persons. The Company also reveals the information as required by the regulation of the Capital Market Supervisory Board regarding “Rules for Connected Transaction”.

Part 3

Financial Statements



Independent Auditor's

To the Shareholders of People's Garment Public Company Limited

Opinion

I have audited the accompanying financial statements of People's Garment Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2021, 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 People's Garment Public Company Limited as at 31 December 2021, 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* as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were 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 these matters.

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

Management is responsible for the preparation and fairly 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.

I assessed and tested the internal controls of the Company relevant to the determination of allowance for diminution in the value of inventories by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such allowance. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the allowance for diminution in value of inventories and reviewing the consistency of the application of that basis, and the rationale for the recording of specific allowance.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing details of sales transactions occurring after the date of the financial statements with the cost of inventories for each product line.
- Comparing historical data of actual losses on sales and write-offs of inventories during year with the allowance for diminution in value of inventories recorded at the preceding year-end.

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 fairly 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.

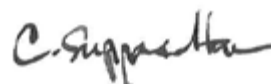
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I 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 those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters 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.



Chayapol Suppasattan
Certified Public Accountant (Thailand) No. 3972

EY Office Limited
Bangkok: 21 February 2022

Financial Statement

Statement of financial position

People's Garment Public Company Limited

As at 31 December 2021

			(Unit: Baht)
	<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets			
Current assets			
Cash and cash equivalents	7	35,579,438	31,184,379
Trade and other receivables	6, 8	137,715,276	123,636,049
Inventories	9	328,249,862	301,267,484
Current portion of other non-current financial assets	11	25,000,000	60,000,000
Other current financial assets	10	325,359,260	307,083,650
Other current assets		5,555,316	5,983,370
Total current assets		<u>857,459,152</u>	<u>829,154,932</u>
Non-current assets			
Other non-current financial assets,			
net of current portion	11	610,027,198	582,516,282
Investments property	12	387,013	387,013
Property, plant and equipment	13	144,297,741	141,931,449
Right-of-use assets	14	17,323,377	23,456,221
Intangible assets		187,721	719,658
Other non-current assets		2,020,080	1,072,521
Total non-current assets		<u>774,243,130</u>	<u>750,083,144</u>
Total assets		<u>1,631,702,282</u>	<u>1,579,238,076</u>

The accompanying notes are an integral part of the financial statements.

Financial Statement (continued)

Statement of financial position

People's Garment Public Company Limited

As at 31 December 2021

			(Unit: Baht)
	<u>Note</u>	<u>2021</u>	<u>2020</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	6, 15	98,109,127	64,074,069
Current portion of lease liabilities	16	5,893,097	5,828,353
Other current liabilities	6	3,939,025	7,520,355
Total current liabilities		<u>107,941,249</u>	<u>77,422,777</u>
Non-current liabilities			
Deferred tax liabilities	23	41,377,359	34,858,276
Lease liabilities, net of current portion	16	12,340,269	18,233,366
Provision for long-term employee benefits	17	64,075,818	70,187,332
Total non-current liabilities		<u>117,793,446</u>	<u>123,278,974</u>
Total liabilities		<u>225,734,695</u>	<u>200,701,751</u>
Shareholders' equity			
Share capital			
Registered			
96,000,000 ordinary shares of Baht 1 each		<u>96,000,000</u>	<u>96,000,000</u>
Issued and fully paid			
96,000,000 ordinary shares of Baht 1 each		96,000,000	96,000,000
Premium on share capital		325,200,000	325,200,000
Retained earnings			
Appropriated - statutory reserve	18	9,600,000	9,600,000
Appropriated - general reserve	19	2,500,000	2,500,000
Unappropriated		744,633,195	736,480,764
Other components of shareholders' equity		<u>228,034,392</u>	<u>208,755,561</u>
Total shareholders' equity		<u>1,405,967,587</u>	<u>1,378,536,325</u>
Total liabilities and shareholders' equity		<u>1,631,702,282</u>	<u>1,579,238,076</u>

Statement of financial position

People's Garment Public Company Limited

As at 31 December 2021

(Unit: Baht)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Profit or loss:			
Revenues			
Sales income		612,615,314	548,492,795
Other income	20	48,050,258	43,218,334
Gains on measurements of fair value of investments		6,254,075	-
Total revenues		<u>666,919,647</u>	<u>591,711,129</u>
Expenses			
Cost of sales		507,992,850	452,704,888
Selling and distribution expenses		9,887,195	18,026,737
Administrative expenses		135,654,122	157,239,487
Losses on measurements of fair value of investments		-	5,791,635
Total expenses		<u>653,534,167</u>	<u>633,762,747</u>
Profit (loss) before finance cost and income tax		<u>13,385,480</u>	<u>(42,051,618)</u>
Finance cost	21	(1,019,299)	(1,367,330)
Profit (loss) before tax expense		<u>12,366,181</u>	<u>(43,418,948)</u>
Tax expense	23	(1,724,435)	(655,648)
Profit (loss) for the year		<u><u>10,641,746</u></u>	<u><u>(44,074,596)</u></u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Gains (losses) on investments in equity designated at fair value through other comprehensive income - net of income tax		26,389,516	(29,954,541)
Actuarial losses - net of income tax		-	(9,193,768)
Other comprehensive income for the year		<u>26,389,516</u>	<u>(39,148,309)</u>
Total comprehensive income for the year		<u><u>37,031,262</u></u>	<u><u>(83,222,905)</u></u>
Earnings per share	24		
Basic earnings per share			
Profit (loss) for the year		<u>0.11</u>	<u>(0.46)</u>

The accompanying notes are an integral part of the financial statements.

Cash Flow Statement

People's Garment Public Company Limited

For the year ended 31 December 2021

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Profit (loss) before tax	12,366,181	(43,418,948)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	17,902,055	18,655,847
Reversal of allowance for expected credit losses	(46,081)	(2,882,204)
Reduction of inventories to net realisable value	6,533,198	2,679,282
Unrealised loss (gain) on other current financial assets	(6,254,075)	1,584,857
Loss (gain) on sales of other current financial assets	(9,498,589)	4,206,760
Interest income	(6,556,275)	(8,752,614)
Interest expense	1,019,299	1,367,330
Dividends income	(12,628,626)	(15,145,223)
Gain on disposals of equipment	(394,004)	(210,584)
Unrealised loss on exchange	1,110,618	59,604
Long-term employee benefits expenses	4,189,949	8,605,461
Gain (loss) from operating activities before changes in operating assets and liabilities	7,743,650	(33,250,432)
Operating assets (increase) decrease		
Trade and other receivables	(13,646,635)	1,304,525
Inventories	(33,515,576)	4,382,259
Other current assets	927,439	(491,824)
Other non-current assets	(1,060,860)	137,993
Operating liabilities increase (decrease)		
Trade and other payables	34,355,409	(1,839,629)
Other current liabilities	(3,581,330)	584,463
Cash paid for long-term employee benefits	(10,301,463)	(17,850,918)
Cash flows used in operating activities	(19,079,366)	(47,023,563)
Cash paid for income tax	(482,875)	(584,851)
Net cash used in operating activities	<u>(19,562,241)</u>	<u>(47,608,414)</u>

The accompanying notes are an integral part of the financial statements.

Cash Flow Statement (continued)
 People's Garment Public Company Limited
 For the year ended 31 December 2021

	(Unit: Baht)	
	2021	2020
Cash flows from investing activities		
Cash paid for acquisitions of other current financial assets	(607,846,058)	(256,349,204)
Cash received from sales of other current financial assets	604,025,053	281,552,506
Cash received from redemptions of held-to-maturity securities	60,000,000	-
Cash paid for acquisition of other non-current financial assets	(63,977,837)	(31,165,085)
Cash received from sales of other non-current financial assets	42,039,086	74,818,227
Cash received from returns of other non-current financial assets	612,000	-
Interest income	6,988,238	9,288,832
Dividends income	12,636,568	15,239,771
Cash paid for acquisitions of equipment	(14,818,258)	(19,423,719)
Cash received from proceeds from sales of equipment	905,657	452,336
Net cash from investing activities	40,564,449	74,413,664
Cash flows from financing activities		
Cash received from loan from financial institution	-	9,000,000
Cash paid for repayment of loan from financial institution	-	(9,000,000)
Cash paid for lease liabilities	(5,987,850)	(5,156,449)
Cash paid for interest on lease liabilities	(979,170)	(1,344,834)
Cash paid for interest on short-term loans from financial institution	(40,129)	(22,496)
Dividends paid	(9,600,000)	(19,200,000)
Net cash used in financing activities	(16,607,149)	(25,723,779)
Net increase in cash and cash equivalents	4,395,059	1,081,471
Cash and cash equivalents at beginning of year	31,184,379	30,102,908
Cash and cash equivalents at end of year	35,579,438	31,184,379

Supplemental cash flows information:

Non-cash transactions

Unrealised loss (gain) on changes in value of investment in equity designated at fair value through other comprehensive income - net of income tax	(26,389,516)	29,954,541
Payables from acquisitions of investment in equity designated at fair value through profit or loss	38,052	396,002
Receivables from sale of investment in equity designated at fair value through profit or loss	940,111	(87,604)

The accompanying notes are an integral part of the financial statements.

People's Garment Public Company Limited

People's Garment Public Company Limited

For the year ended 31 December 2021

1. General information

1.1 Corporate information

People's Garment Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company's principal activities are manufacturing and distributing ready-made cloths. The registered office of the Company and factory is located at No. 666 Rama 3 Road, Bangpongpan, Yannawa, Bangkok. The Company has three plants in Lamphun, Prachinburi, and Chachoengsoa.

1.2 Coronavirus disease 2019 Pandemic

A second wave of the Coronavirus disease 2019 pandemic has slowed down the economic recovery, adversely impacting most businesses and industries. This situation significantly affects the Company's business activities in terms of the decrease in sale income and fair values of investments in the current year. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

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 dated 11 October 2016, 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

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

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 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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 returns, discounts, allowances and price promotions to customers.

Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

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.

Dividends

Dividends are recognised when the right to receive the dividends is established.

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 and work in process are valued at the lower of cost under the weighted average method and net realisable value and includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

4.5 Property, plant and equipment/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 and building improvements	-	20 and 50 years
Machinery and equipment	-	5, 10, 15 and 20 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

4.6 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on Straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets in respect of computer software is amortised over the useful lives of 5 years.

4.7 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises 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.

4.8 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 as a lessee

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.

Buildings	2 - 5 years
Machinery and equipment	4 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.

4.9 Foreign currencies

The financial statements are 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.

4.10 Impairment of non-financial assets

At the end of each reporting year, the Company performs impairment reviews in respect of property, building and equipment, right-of-use asset, investment properties 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.11 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, fair value through other comprehensive income ("FVOCI"), 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 designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income 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 discounts or premiums on acquisition and 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.

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.

4.12 Derivatives

The Company uses forward currency contracts to hedge its foreign currency risks, respectively.

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.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.13 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 and other long-term employee 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 and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

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.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

4.14 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.

4.15 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 year, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise 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 reduce 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.

4.16 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 measure 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 year, the Company determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting year 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:

Leases

Determining the lease term with extension and termination 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 or terminate 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.

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.

Allowance for diminution in value of inventories

The determination of allowance for diminution in the value of inventories requires the management to exercise judgement in estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business, minus selling expenses and provision for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventories.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment/Depreciation

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 and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit 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

The relationships between the Company and its related parties which had significant business transactions during the year 2021 and 2020 are summarised below.

Name of related parties	Relationship
Boutique New City Plc.	Common shareholder
Saha Pathanapibul Plc.	Common shareholder
Thai Wacoal Plc.	Common shareholder
President Bakery Plc.	Common shareholder
S.T.G.C. Co., Ltd.	Common shareholder
Waseda Education (Thailand) Co., Ltd.	Common shareholder
Thai Takaya Co., Ltd.	Common shareholder
Cosmo Express Trading Co., Ltd.	Common shareholder
Sriracha Aviation Co., Ltd.	Common shareholder
Sahapat Properties Co., Ltd.	Common shareholder
Thai Stafflex Co., Ltd.	Common shareholder
Sahapat Real Estate Co., Ltd.	Common shareholder
Thai Naxis Co., Ltd.	Common shareholder
Erawan Textile Co., Ltd.	Common shareholder
Bangkok Tokyo Socks Co., Ltd.	Common shareholder
Lion (Thailand) Co., Ltd.	Common shareholder
Thai President Foods Plc.	Common shareholder
Torfun Property Co., Ltd.	Common director
Thai Q.P. Co., Ltd.	Common director and shareholder
Saha Pathana Inter-Holding Plc.	Common director and shareholder
I.C.C. International Plc.	Common director and shareholder
Far East DDB Plc.	Common director and shareholder
Bangkok Rubber Plc.	Common director and shareholder
Sahacogen (Chonburi) Plc.	Common director and shareholder
Thai Sports Garment Co., Ltd.	Common director and shareholder
Champ Ace Co., Ltd.	Common director and shareholder
SSDC (Tigertext) Co., Ltd.	Common director and shareholder
Treasure Hill Co., Ltd.	Common director and shareholder
Pan Land Co., Ltd.	Common director and shareholder
Five Star Plus Co., Ltd.	Common director and shareholder
Thai Bunka Fashion Co., Ltd.	Common director and shareholder
Champ Kabin Co., Ltd.	Common director and shareholder
Bangkok Athletic Co., Ltd.	Common director and shareholder
T-Way Co., Ltd.	Common director and shareholder
Mr. Boonsithi Chokwatana	Brother of the Company's Director

During the year, 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. The transactions are summarised as follow:

	(Unit: Thousand Baht)		
	2021	2020	Pricing policies
<u>Transactions with related companies</u>			
Sales of goods	345,199	353,144	Cost plus margin
Other income	8,734	8,683	Actual incurred
Dividend income	8,694	10,439	As declared
Rental income	5,233	4,845	Contract price
Hire of work - income	5	849	Contract price
Hire of work - expenses	26,236	28,053	Contract price
Sales of non-marketable securities	-	1,000	Agreed price
Return of investments in			
non-marketable security	612	-	Agreed price
Purchase of raw materials	4,438	3,158	Cost plus margin
Purchase of goods	10,221	2,149	Cost plus margin
Purchase of machinery and equipment	-	450	Price close to market
Rental expenses	5,702	6,100	Contract price
Royalty fee	5	82	Contract price
Other expenses	3,315	1,911	Actual incurred

The balances of the accounts as at 31 December 2021 and 2020 between the Company and those related parties are as follows.

	(Unit: Thousand Baht)	
	2021	2020
<u>Trade accounts receivable - related parties</u> (Note 8)		
Related companies	98,992	75,425
<u>Other receivables - related parties</u> (Note 8)		
Related companies	549	606
<u>Trade accounts payable - related parties</u> (Note 15)		
Related companies	6,813	4,136
<u>Other payables - related parties</u> (Note 15)		
Related companies	132	106
<u>Provision for goods returned - related parties</u> (presented under other current liabilities)		
Related companies	2,686	2,961

Directors and management compensation

During years ended 31 December 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	2021	2020
Short-term employee benefits	11,134	10,166
Termination benefits	74	757
Total	11,208	10,923

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2021	2020
Cash	180	242
Bank deposits	35,399	30,942
Total	35,579	31,184

As at 31 December 2021, bank deposits in savings accounts carried interest between 0.1% and 0.5% per annum (2020: between 0.1% and 0.9% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)	
	2021	2020
Trade accounts receivable - unrelated parties		
Not yet due	30,627	35,539
Over due:		
Not over 3 months	4,746	9,900
3 - 6 months	63	-
Over 6 months	-	22
Total	35,436	45,461
Less: Allowance for expected credit losses	(64)	(110)
Trade accounts receivable - unrelated parties	35,372	45,351

(Unit: Thousand Baht)

	2021	2020
Trade accounts receivable - related parties		
Not yet due	98,695	74,836
Over due:		
Not over 3 months	297	589
Trade accounts receivable - related parties	98,992	75,425
Other receivables		
Other receivables - unrelated parties	2,802	2,254
Other receivables - related party	549	606
Total other receivables	3,351	2,860
Total trade and other receivables	137,715	123,636

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

(Unit: Thousand Baht)

	2021	2020
Balance at beginning of year	110	2,992
Provision for expected credit losses	-	110
Reversal	(46)	(2,992)
Balance at end of year	64	110

9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories-net	
	2021	2020	2021	2020	2021	2020
Finished goods	212,782	197,665	(20,951)	(15,834)	191,831	181,831
Work in process	29,809	32,201	-	-	29,809	32,201
Raw materials	105,499	84,875	(5,648)	(4,232)	99,851	80,643
Factory supplies	3,343	3,443	-	-	3,343	3,443
Inventories in transit	3,416	3,149	-	-	3,416	3,149
Total	354,849	321,333	(26,599)	(20,066)	328,250	301,267

During the current year, the Company reduced cost of inventories by Bath 6.53 million. This was included in cost of sales (2020: Baht 2.68 million).

10. Other current financial assets

	(Unit: Thousand Baht)	
	2021	2020
Investments designated at fair value through profit or loss		
Unit trusts	76,714	73,918
Fixed deposits at financial institutions	3	4
Investments in other companies	118,222	53,670
Investments in debt securities	130,403	179,489
Total investments designated at fair value through profit or loss	325,342	307,081
Derivative asset	17	3
Total other current financial assets	325,359	307,084
Cash received from sales of investments designated at fair value through profit or loss for the year	604,025	281,552

As at 18 February 2022, total fair value of investments designated at fair value through profit or loss was Baht 331 million.

11. Other non-current financial assets

	(Unit: Thousand Baht)	
	2021	2020
Investments designated at fair value through other comprehensive income		
Unit trusts	1,906	-
Investments in related companies	465,851	459,592
Investments in other companies	50,270	62,924
Total investments designated at fair value through other comprehensive income	518,027	522,516
Investment measured at amortised cost		
Investments in debt securities - at cost	117,000	120,000
Less: Mature within 1 year	(25,000)	(60,000)
Total investments in debt securities, net of current portion	92,000	60,000
Total other non-current financial assets, net of current portion	610,027	582,516
Cash received from sales of investments designated at fair value through other comprehensive income for the year	42,039	74,818

As at 18 February 2022, total fair value of investments designated at fair value through other comprehensive income was Baht 515 million.

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Company considers these investments to be strategic in nature.

During the year 2021, the Company disposed investments designated at fair value through other comprehensive income. The fair value on the date of sale was Baht 42.0 million. Gain on disposals of these investments of Baht 7.3 million was recorded in unappropriated retained earnings in statement of change in shareholders' equity. (2020: Baht 11.5 million and Baht 2.0 million, respectively). In 2021, The Company received dividends in the amount of Baht 0.6 million from the above investments. (2020: Baht 0.5 million).

During the year 2021, the Company received return of investment from dissolution of a related company. Such investment was determined to be measured at fair value through other comprehensive income with a book value of Baht 0.8 million. Loss on return of the investment of Baht 0.2 million was recorded in unappropriated retained earnings in the statement of changes in shareholders' equity.

In addition, in 2021, the Company received dividends from equity instruments designated at FVOCI, which still existed at the reporting date, in the amount of Baht 9.9 million (2020: THB 12.7 million).

12. Investment properties

	(Unit: Thousand Baht)		
	Land	Factory buildings	Total
Cost:			
1 January 2020	387	4,835	5,222
31 December 2020	387	4,835	5,222
31 December 2021	387	4,835	5,222
Accumulated depreciation:			
1 January 2020	-	4,835	4,835
31 December 2020	-	4,835	4,835
31 December 2021	-	4,835	4,835
Net book value:			
31 December 2020	387	-	387
31 December 2021	387	-	387

The fair value of these investment properties as at 31 December 2021 and 2020 were stated below:

	(Unit: Million Baht)	
	2021	2020
Land	17.1	17.1
Factory building	1.5	1.5
Total	18.6	18.6
Rental income for the year	4.0	4.0

The fair value of investment properties appraised by an independent appraiser in 2019, using market price for land and replacement cost for factory building.

Investment properties represented land and a fully depreciated factory building.

The Company rents this plant under agreements with a related company. The term of agreements is 1 year.

Future minimum rental income to be generated under these investment properties amounting to Baht 4.7 million in up to 1 year.

13. Property, plant and equipment

	(Unit: Thousand Baht)					
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation
Cost:						
1 January 2020	43,222	132,849	319,189	251,122	21,865	7,393
Additions	-	-	4,933	2,226	-	12,264
Disposals	-	-	(800)	(2,524)	(3,370)	-
Transfers in (out)	-	(295)	519	19,433	-	(19,657)
31 December 2020	43,222	132,554	323,841	270,257	18,495	-
Additions	-	-	3,702	1,466	-	9,650
Disposals	-	-	(1,020)	(33)	(1,808)	-
31 December 2021	43,222	132,554	326,523	271,690	16,687	9,650
Accumulated depreciation:						
1 January 2020	-	83,223	296,919	243,677	17,665	-
Depreciation for the year	-	2,115	4,106	3,777	1,409	-
Depreciation on disposals	-	-	(800)	(2,516)	(3,137)	-
31 December 2020	-	85,338	300,225	244,938	15,937	-
Depreciation for the year	-	2,116	3,920	4,770	1,134	-
Depreciation on disposals	-	-	(508)	(33)	(1,809)	-
31 December 2021	-	87,454	303,637	249,675	15,262	-
Net book value:						
31 December 2020	43,222	47,216	23,616	25,319	2,558	-
31 December 2021	43,222	45,100	22,886	22,015	1,425	9,650
Depreciation for the year						
2020 (Baht 5.1 million included in manufacturing cost, and the balance in selling and administrative expenses)						11,407
2021 (Baht 5.7 million included in manufacturing cost, and the balance in selling and administrative expenses)						11,940

As at 31 December 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 667.5 million (2020: Baht 657.4 million).

14. Right-of-use assets

Movements of right-of-use assets account during the year ended 31 December 2021 and 2020 were summarised below.

	(Unit: Thousand Baht)		
	Building	Office equipment	Total
1 January 2020	1,870	508	2,378
Additions	27,211	-	27,211
Depreciation for the year	(6,003)	(130)	(6,133)
31 December 2020	23,078	378	23,456
Depreciation for the year	(6,003)	(130)	(6,133)
31 December 2021	17,075	248	17,323

15. Trade and other payables

	(Unit: Thousand Baht)	
	2021	2020
Trade accounts payable - related parties	6,813	4,136
Trade accounts payable - unrelated parties	76,465	51,062
Other payables - related parties	132	106
Other payables - unrelated parties	14,699	8,770
Total trade and other payables	98,109	64,074

16. Lease liabilities

	(Unit: Thousand Baht)	
	2021	2020
Lease payments	19,750	26,716
Less: Deferred interest expenses	(1,517)	(2,655)
Total	18,233	24,061
Less: Portion due within one year	(5,893)	(5,828)
Lease liabilities - net of current portion	12,340	18,233

The Company has entered into the lease agreements for rental of building and office equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 2 to 5 years.

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)	
	2021	2020
Balance at beginning of year	24,061	2,378
Additions	-	27,211
Accretion of interest	979	1,345
Reduction of lease payments	(771)	(372)
Repayments	(6,036)	(6,501)
Balance at end of year	18,233	24,061

Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	2021	2020
Depreciation expense of right-of-use assets	5,317	5,725
Interest expense on lease liabilities	979	1,345
Expense relating to short-term leases	162	188
Expense relating to variable lease payments	214	194

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 7.0 million. (2020: Baht 7.0 million. Moreover, the Company had non-cash additions to right-of-use assets and lease liabilities of Baht 27.0 million.)

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	2021	2020
Provision for long-term employee benefits		
at beginning of year	70,187	67,941
Included in profit or loss:		
Current service cost	3,508	6,206
Interest cost	565	1,425
Past service costs and losses on settlement	117	974
Included in other comprehensive income:		
Actuarial loss arising from:		
Demographic assumptions changes	-	2,664
Financial assumptions changes	-	3,140
Experience adjustments	-	5,688
Benefits paid during the year	(10,301)	(17,851)
Provision for long-term employee benefits		
at end of year	64,076	70,187

The Company expects to pay Baht 8.08 million of long-term employee benefits during the next year (2020: Baht 13.31 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 7 years (2020: 7 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	2021	2020
Discount rate	0.92	0.92
Salary increase rates	3.00	3.00
Turnover rates for staff	3 - 40	3 - 40

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

	As at 31 December 2021			
	Increase	Effect to obligation	Decrease	Effect to obligation
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	0.5	(1,711)	0.5	1,798
Salary increase rate	0.5	1,701	0.5	(1,636)
Turnover rate	0.5	(1,709)	0.5	1,812

	As at 31 December 2020			
	Increase	Effect to obligation	Decrease	Effect to obligation
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	0.5	(1,711)	0.5	1,798
Salary increase rate	0.5	1,701	0.5	(1,636)
Turnover rate	0.5	(1,709)	0.5	1,812

18. 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 income 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.

19. General reserve

The Company allocated portion of profit as general reserve without specific objective.

20. Other income

	(Unit: Thousand Baht)	
	2021	2020
Interest income	6,556	8,753
Consulting income	4,060	3,866
Rental income	6,320	6,592
Dividend income	12,629	15,145
Gain on sale of investments	9,498	1,232
Other	8,987	7,630
Total	48,050	43,218

21. Finance cost

	(Unit: Thousand Baht)	
	2021	2020
Interest expenses on borrowings	40	22
Interest expenses on lease liabilities	979	1,345
Total	1,019	1,367

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2021	2020
Salaries and wages and other employee benefits	162,569	165,173
Depreciation and amortisation expenses	17,902	18,656
Rental expenses from operating lease agreements	1,028	698
Raw materials and consumables used	248,705	210,611
Changes in inventories of finished goods and work in progress	(13,064)	3,988

23. Deferred tax liabilities/Income tax expense

Tax expense for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	2021	2020
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	1,724	656
Tax expense reported in the statement of comprehensive income	1,724	656

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	2021	2020
Deferred tax on		
Gain (loss) from the change in value of investments in equity designed at fair value through other comprehensive income	4,844	(7,488)
Actuarial losses	-	(2,298)
	4,844	(9,786)

The reconciliation between accounting profit and tax expense is shown below.

	(Unit: Thousand Baht)	
	2021	2020
Accounting profit (loss) before tax	12,366	(43,418)
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	2,473	(8,683)
Effects of:		
Non-deductible expenses	4	535
Additional expense deductions allowed	(63)	(329)
Dividends income	(2,115)	(2,621)
Unrecorded of unused tax losses	1,425	11,754
Total	(749)	9,339
Tax expense reported in the statement of comprehensive income	1,724	656

As at 31 December 2021 and 2020, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	2021	2020
Deferred tax assets		
Provision for goods returned	102	90
Allowance for diminution in value of inventories	5,320	4,013
Transfer of investments designated at fair value through other comprehensive income	1,231	1,715
Provision for long-term employee benefits	9,885	11,107
Lease	182	121
Total	16,720	17,046
Deferred tax liabilities		
Unrealised gain on re-measuring investments	57,035	50,941
Other	1,062	964
Total	58,097	51,905
Deferred tax liabilities - net	41,377	34,859

As at 31 December 2021, the Company has an unused tax loss of Baht 156.9 million (2020: Baht 149.7 million), on which deferred tax asset has not been recognised as the Company opines that there is uncertainty whether there will be sufficient future taxable profits to be utilised. The unused tax loss will expire by 2022.

24. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holder of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

25. Dividends paid

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
<u>2021</u>			
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 27 April 2021	9.60	0.10
<u>2020</u>			
Interim dividend	Board of Directors Meeting on 8 April 2020	19.20	0.20

26. Financial information by segment

The Company is principally engaged in the manufacturing and distributing ready-made cloths. 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 and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customer information

For 2021, the sale revenue of Baht 330.4 million (2020: Baht 332.2 million) was from a major customer which is related company.

27. 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 rates of 3 to 5 percent of basic salary. The fund, which is managed by TISCO Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. In 2021, the Company contributed Baht 2.6 million (2020: Baht 2.8 million) to the fund.

28. Commitments and contingent liabilities

28.1 Operating lease commitments

The Company has commitments with regard to service agreements, and others under the non-cancellable agreements with the term of 1 year. The Company had obligations to pay service and rental fees as follows:

		(Unit: Thousand Baht)	
		2021	2020
Payable:			
Up to 1 year		913	1,187

28.2 Use of trademarks commitments

The Company has entered into an agreement with the holder of rights in one trademarks related to the manufacture and distribute ready-made garment. Under the conditions of these agreements, the Company commits to pay a royalty fees based on sales income.

28.3 Bank guarantees

The Company has outstanding bank guarantees issued by the banks on behalf of the Company as required in the normal course of business for guarantee as follows:

		(Unit: Million Baht)	
Bank guarantees for		2021	2020
Electricity use		2.2	2.2
Payment due to creditors		0.1	0.4
Total		2.3	2.6

29. Fair value hierarchy

As at 31 December 2021 and 2020, the Company had the assets that was measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Unit trusts	26.9	49.8	-	76.7
Investments in debt securities	-	130.4	-	130.4
Investments in marketable securities	118.2	-	-	118.2
Other non-current financial assets				
Unit trusts	1.9	-	-	1.9
Investments in marketable securities	441.2	-	-	441.2
Investments in non-marketable securities	-	-	74.9	74.9
Assets for which fair value are disclosed				
Other non-current financial assets				
Investments in debt securities	-	94.3	-	94.3
Investment properties	-	17.1	1.5	18.6

(Unit: Million Baht)				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Unit trusts	8.6	65.3	-	73.9
Investments in debt securities	-	179.5	-	179.5
Investments in marketable securities	53.7	-	-	53.7
Other non-current financial assets				
Investments in marketable securities	457.1	-	-	457.1
Investments in non-marketable securities	-	-	65.4	65.4
Assets for which fair value are disclosed				
Other non-current financial assets				
Investments in debt securities	-	102.6	-	102.6
Investment properties	-	17.1	1.5	18.6

30. Financial instruments

30.1 Derivatives

Derivatives not designated as hedging instruments

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.

30.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise of cash and cash equivalents, trade accounts receivable and investments. 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 and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

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 Company classifies customer segments by customer type. 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 Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Market risk

The Company has price risk relating to purchase price of goods and materials. The Company closely monitors changes in their price to support purchasing plans.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and debentures. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk of the Company is still low.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	2021				
	Fixed interest rates			Floating interest rate	Effective interest rates
	Within 1 year	More than 1 to 5 years	More than 5 years		
					(% per annum)
Financial assets					
Cash and cash equivalent	6	-	-	35,393	0.1 - 0.5
Other current financial assets	40,089	87,044	3,271	-	0.45 - 2.85
Other non-current financial assets	25,000	59,000	33,000	-	2.65 - 5.70

(Unit: Thousand Baht)

	2020				
	Fixed interest rates			Floating interest rate	Effective interest rates
	Within 1 year	More than 1 to 5 years	More than 5 years		
					(% per annum)
Financial assets					
Cash and cash equivalent	6	-	-	30,936	0.1 - 0.9
Other current financial assets	49,371	124,105	6,013	-	0.01 - 3.4
Other non-current financial assets	60,000	35,000	25,000	-	2.80 - 4.75

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 forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	598	300	206	136	33.15 - 33.59	29.77 - 30.21
HK dollar	-	-	-	6	-	3.92

Liquidity risk

The Company's current assets significantly exceed current liabilities. Moreover, the Company has access to sources of funding from bank overdraft, short-term loans and bank guarantee. The Company's liquidity risk is therefore considered to be low.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)					
As at 31 December 2021					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	96,978	1,131	-	98,109
Lease liabilities	-	5,893	12,340	-	18,233
Total non-derivatives	-	102,871	13,471	-	116,342

(Unit: Thousand Baht)

	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	63,120	632	322	64,074
Lease liabilities	-	5,828	18,234	-	24,062
Total non-derivatives	-	68,948	18,866	322	88,136

30.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are 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.

30.4 Reconciliation of recurring fair value measurements of assets categorised within Level 3 of the fair value hierarchy.

(Unit: Thousand Baht)

	Investment in non-marketable equity securities
Balance as of 1 January 2020	62,360
Disposed during the year	(1,000)
Increase in fair value and recognised into other comprehensive income	4,078
Balance as of 31 December 2020	65,438
Return of investments from the dissolution	(755)
Increase in fair value and recognised into other comprehensive income	10,171
Balance as of 31 December 2021	74,854

In 2021 and 2020, key assumptions used in the valuation are summarised below.

Valuation technique	Significant unobservable inputs	Rates (%)		Sensitivity of the input to fair value
		2021	2020	
1) Discounted cash flows	Weighted average cost of capital (WACC)	5.52 - 8.89	6.25	1% increase in WACC would result in Baht 4.8 million decrease in fair value. (2020: Baht 0.1 million). 1% decrease in WACC would result in Baht 7.6 million increase in fair value. (2020: Baht 0.1 million).
2) Adjusted book value	Liquidity and minority discount	22.7 - 38.0	22.7 - 38.0	1% increase in liquidity and minority discounts would result in Baht 0.8 million decrease in fair value. (2020: Baht 1.0 million). 1% decrease in liquidity and minority discounts would result in Baht 1.1 million increase in fair value. (2020: Baht 1.0 million).
3) Dividend discounted model	Return on equity (ROE)	None	8.87	1% increase in ROE would result in Baht 2.0 million decrease in fair value. 1% decrease in ROE would result in Baht 2.0 million increase in fair value. (2021: Nil)

31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Company's debt-to-equity ratio was 0.16:1 (2020: 0.15:1).

32. Event after the reporting year

On 21 February 2022, the Board of Directors Meeting No.1/2022 of the Company resolve to propose to the 2022 Annual General Meeting of Shareholders to approve dividend payment from retained earnings of Baht 9.60 million (Baht 0.10 per share). The payments will be made on 25 May 2022.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2022.



Part 4

Appendix

Attachment 1. Details of Directors, Controlling Persons and Company Secretary

Details of Executives and Authorized Persons for the year 2020

Name	PG	Related Companies													
		SPI	ICC	SPC	Far east DDB	BRC	SCG	TSG	CA	CKC	Thai Bunka	S&J	OCC	Thai Itokin	PAF
1. Mr.Boonkiet Chokwatana	X	/	X					X	X	/		X		/	X
2. Mr.Challert Manoopol	/							/	/	/					
3. Mr. Vritpol Chaithavornsathien	//		/					/		/					
4. Mrs. Sunan Niyonnaitham	//							/		/					
5. Mrs. Somporn Tiyaiviboonsiri	/								/		/				
6. Mrs.Teerada Ambhanwong	/											/	/		
7. Mrs. Nuchanart Thammanomai	**					/									
8. Mrs. Chortip Pramoj Na Ayudhya	/														
9. Gen. Konechamart Chunnabhata	/														
10. Mr.Santi Bangor	**														
11. Mr. Khachornsakdi Vanaratseath	**			**	**										
12. Mrs. Kityaporn Chaithavornsathien	/														
13. Mrs.Sasivimol Kluyasritrakul	//														
14. Mrs.Nutchapunporn Sunthornwiset	//														
15. Mrs.Kalayanee Chantarapikul	//														
16. Mrs.Photchamarn Engkanisarn	//														
17. Mrs.Suvimol Charoensichai	//														
18. Ms. Salinla Chaiput	//														

X = President

/ = Director

// = Executive Director

** = Audit Committee

1. PG : People's Garment Plc. 7. SCG : Sahacogen (Chonburi) Plc. 13. OCC : OCC Plc.
2. SPI : Saha Patana Inter-Holding Plc. 8. TSG : Thai Sport Garment Co., Ltd. 14. . Itokin : Thai Itokin Co., Ltd.
3. ICC : ICC International Plc. 9. CA : Champ Ace Co., Ltd. 15. PAF : Pan Asia Footwear Co., Ltd.
4. SPC : Saha Pathanapibul Plc. 10. CKC : Champ Kabin Co., Ltd.
- 5.Far East DDB : Far East DDB Plc. 11. Thai Bunka : Thai Bunka Fashion Co., Ltd.
- 6.BRC : Bangkok Rubber Plc. 12. S&J : S&J International Enterprise Plc.

Details of Board of Directors and Executives

Name/Position	Age (Year)	Education	Shares Holding •	Family Relationship between directors	Experiences in the Past 5 Years		
					Period	Position	Company
1. Mr. Boonlert Chaiwansathien Position : ■ President ■ Chairman of Remuneration Committee ■ Chairman of Nomination Committee ■ Authorized Director Term of Office : Director of the company 32 Years 8 Months	74	Honorary Doctorate Degree ■ Business Administration (Management), Sigatunga University ■ Administrative College of Commerce, Bungia University ■ Business Administration, Faculty of Management and Information Science, Naresuan University Bachelor Degree ■ Engineering, Worcester Polytechnic Institute, Massachusetts, USA Training of Thai Institute of Directors ■ Director Certification Program (DCP) Class of 61/2004 ■ Director Accreditation Program (DAP) Class of 5/2003	3,874,133 Or 3.62%	- Father of Mrs. Kijyapan Chaiwansathien - Father in law of Mr. Virgilpol Chaiwansathien - Uncle Mrs. Teerasda Amcharwong	Listed Company 1980 - 2015 President and Chairman of Executive Committee 2015 - 2021 Chairman of Executives Committee 2021 - Present President 1986 - Present Director 1994 - Present President 1994 - Present President 2011 - Present President 2016 - 2021 Director	6 Companies I.C.C. Intension P.LC. I.C.C. Intension P.LC. I.C.C. Intension P.LC. Saha Pathana Inter-Holding P.LC. S&I International Enterprises P.LC. People's Garment P.LC. Pan Asia Footwear P.LC. Sahachoon P.LC.	
					Non-listed Companies	54 Companies	
					Holding a Directorship in Related Companies :	5 Companies	
					President and Chairman of Executive Committee Director President President	I.C.C. Intension P.LC. Saha Pathana Inter-Holding P.LC. Thai Sport Garment Co., Ltd. The Rubin Co., Ltd.	
2. Mr. Chalient Mancoogool Position : ■ Vice President ■ Member of Risk Management Committee ■ Authorized Director Term of Office : Director of the company 36 Years 5 Months	62	■ Master of Science in Management ABILENE CHRISTIAN UNIVERSITY TEXAS U.S.A. Training of Thai Institute of Directors ■ Director Accreditation Program (DAP) Class of 5/2003	332,500 Or 0.30%	- None -	Listed Company 1985 - 2015 Director 2016 - Present Vice President 2011 - 2017 Executive Director/Vice-President "B" 1997 - 2018 Director	1 Company People's Garment P.LC. People's Garment P.LC. I.C.C. Intension P.LC. DOE P.LC.	
					Non-listed Companies	8 Companies	
					Holding a Directorship in Related Companies :	2 Companies	
					Managing Director Managing Director	Thai Sport Garment Co., Ltd. Clump Rajan Co., Ltd.	
3.Mr. Virgilpol Chaiwansathien Position : ■ Managing Director ■ Member of Nomination Committee ■ Member of Risk Management Committee ■ Member of Corporate Governance Committee ■ Authorized Director Term of Office Director of the company 3 Years 8 Months	51	■ Master of Business Administration Cleveland State University ■ Bachelor of Business Administration University of Kentucky	- None -	- Husband of Mrs. Kijyapan Chaiwansathien - Son in law of Mr. Boonlert Chaiwansathien	Listed Company 2016 - Present Director 2020 - Present Managing Director 2021 - Present Director	1 Company People's Garment P.LC. People's Garment P.LC. I.C.C. Intension P.LC.	
					Non-listed Companies	19 Companies	
					Holding a Directorship in Related Companies :	-None-	

Name/Position	Age (Year)	Education	Shares Holding *	Family Relationship between directors	Experiences in the Past 5 Years		
					Period	Position	Company
4. Ms. Sunan Niyomatharn Position : ■ Company director ■ Deputy Managing Director ■ Chief Financial Officer ■ Member of Remuneration Committee ■ Member of Corporate Governance Committee ■ Authorized Director Term of Office Director of the company 35 Years 5 Months	63	■ Bachelor of Arts (Political Science), Public Finance Chulalongkorn University ■ Master of Public and Private Management Program National Institute of Development Administration (NIDA) Training of Thai Institute of Directors ■ Director Certification Program (DCPF) Class of 27/2003 ■ Roles of Compensation Committee Class of 3/2006 Training of Internal Audit and Control ■ Chief Finance Officer (CFO) Class of 3/2006	190,000 Or 0.20%	- None -	Listed Company 2016 - 2012 2012 - Present Non-listed Companies Holding a Directorship in Related Companies :	Director Deputy Managing Director Director Director	1 Company People's Garment P.L.C. People's Garment P.L.C. 2 Companies 2 Companies Thai Sport Garment Co., Ltd Chump Robin Co., Ltd
5. Ms. Somporn Tiyaboonsoini Position : ■ Company director ■ Member of Nomination Committee ■ Authorized Director Term of Office Director of the company 39 Years 5 Months	73	■ Master of Education in Teaching EMPERAL STATE UNIVERSITY KANSAS USA. Training of Thai Institute of Directors ■ Director Accreditation Program (DAP) Class of 3/2005 ■ Director Certification Program (DCPF) Class of 6/2005 ■ Roles of Compensation Committee Class of 3/2007	855,500 Or 0.89%	- None -	Listed Company 2012 - 2000 2011 - 2012 2012 - Present Non-listed Companies Holding a Directorship in Related Companies :	Director Managing Director Director None	1 Company People's Garment P.L.C. People's Garment P.L.C. People's Garment P.L.C. 3 Companies None
6. Ms. Teerada Ambhinnang Position : ■ Company director ■ Authorized Director Term of Office Director of the company 23 Years 8 Months	51	■ Master of Business Administration (Executive) Sasin Graduate Institute of Business Administration Training of Thai Institute of Directors ■ Director Accreditation Program (DAP) Class of 3/2003 ■ Director Certification Program (DCPF) Class of 3/2004	224,550 Or 0.23%	Niece of Mr. Boonlert Cholawatana	Listed Company 1999 - 2006 2006 - Present 2009 - Present 1999 - Present Non-listed Companies Holding a Directorship in Related Companies :	Member of Audit Committee Director Chairman of Executive Committee and Managing Director Chairman of the Risk Management Committee Chairman of the Nominating Committee Director of Remuneration Committee Director None	3 Companies People's Garment P.L.C. DCC P.L.C. SAI International Enterprises P.L.C. 12 Companies None
7. Ms. Nuchanart Thammamanul Position : ■ Independent director ■ Audit Committee Term of Office Director of the company 22 Years 8 Months	70	■ Bachelor of Laws, Thammasat University Training of Thai Institute of Directors ■ Director Accreditation Program (DAP) Class of 3/2003	- None -	- None -	Listed Company 2001 - Present 2002 - Present Non-listed Companies Holding a Directorship in Related Companies :	Director Member of Audit Committee None	2 Companies Bangkok Rubber P.L.C. People's Garment P.L.C. 2 Companies None

Name/Position	Age (Year)	Education	Shares holding *	Family Relationship between directors	Experiences in the Past 5 Years	
					Period	Position
8. Mrs. Chotipa Pramej Na Ayudhya Position : ■ Independent director ■ Member of Remuneration Committee ■ Member of Nomination Committee Terms of Office Director of the company 19 Years 8 Months	70	■ Bachelor of Art (Management) ISK University Training of Thai Institute of Directors ■ Director Accreditation Program (DAP) Class of 11/2004 ■ Audit Committee Program 19/2007	10,000 Or 0.01%	-None -	United Company	1 Company
					2002 - 2006	Director People's Garment PLC.
					2006 - 2008	Member of Audit Committee People's Garment PLC.
					2009 - Present	Director People's Garment PLC.
					Non-listed Companies	1 Company
Holding a Directorship in Related Companies :					None	
Holding any position in a company or other companies in the past year that has significantly affected to dedicated working time: None						
9. Gen. Kongsakorn Chuanabha Position : ■ Independent director ■ Chairman of Risk Management Committee Terms of Office Director of the company 12 Years 8 Months	74	■ National Defence Studies Institute: Supreme Command Thailand National Defence College (FNDC) ■ National Defence Studies Institute Joint Staff College ■ Royal Thai Army Education, Royal Thai Armed Forces Academy	-None -	-None -	United Company	1 Company
					2009 - 2010	Audit Committee People's Garment PLC.
					2010 - Present	Independent director/ People's Garment PLC.
					Chairman of Risk Management Committee	
					Non-listed Companies	None
Holding a Directorship in Related Companies :					None	
Holding any position in a company or other companies in the past year that has significantly affected to dedicated working time: None						
10. Ms. Sant Bueje Position : ■ Independent director ■ Chairman of Corporate Governance Committee ■ Audit Committee Terms of Office Director of the company 12 Years 8 Months	75	■ Bachelor of Arts (Political Science), Public Finance Chulalongkorn University ■ Master of Agricultural and Applied Economics Texas Tech University, USA ■ Graduate Diploma in Development Cambridge University, United Kingdom ■ Thailand National Defence College (FNDC) Class of 38 Training of Thai Institute of Directors ■ Director Certification Program (DCP) 12/2001 ■ Role of the Compensation Committee Program (NCC) 16/2013 ■ Monitoring Fraud Risk Management (MFM) 9/2013 ■ Monitoring the System of Internal Control and Risk Management (MIS) 14/2013 ■ Monitoring the Internal Audit Function (IAF) 14/2013 ■ Monitoring the Quality of Financial Reporting (MFR) 17/2013 ■ Audit Committee Program (ACP) Class of 42/2556 Professional Councils under the Royal Patronage ■ Audit Committee Seminar - Set Ready for the Year End - 1) 2015	20,100 Or 0.08%	-None -	United Company	1 Company
					2009 - 2010	Director People's Garment PLC.
					2010 - Present	Independent director (Audit Committee People's Garment PLC.
					2013 - Present	Independent director / People's Garment PLC.
					Chairman of Corporate Governance Committee	
					2012 - Present	Independent director / Thomson Thai Agencies PLC.
					Chairman of Corporate Governance Committee	
					Audit Committee	
					Chairman of Remuneration Committee	
					Subcommittee for preparation of agreements and evaluation of State enterprise operations in Public utility for Industrial and Commercial	Ministry of Finance
Non-listed Companies					1 Company	
Holding a Directorship in Related Companies :					None	
Holding any position in a company or other companies in the past year that has significantly affected to dedicated working time: None						

Name/Position	Age (Year)	Education	Shares Holding	Family Relationship between directors	Experiences in the Past 5 Years	
					Period	Position
11. Mr. Khachomsak Varnatseath Position : ■ Independent director ■ Chairman of Audit Committee	74	■ Master of Accountancy, Western Illinois University, U.S.A. ■ Bachelor of Accountancy, Chulalongkorn University ■ Graduate Diploma in Accounting Certificate Program (Auditing) Chulalongkorn University Training of Thai Institute of Directors ■ Director Accreditation Program (DAP) 3/2203	- None -	- None -	United Company	6 Companies
					1996 - Present	Independent Director and Audit Committee
					1993 - 2017	Independent Director and Chairman of Audit Committee
					2002 - Present	Independent Director and Chairman of Audit Committee
					2017 - Present	Independent Director and Chairman of Audit Committee
Term of Office					Non-Listed Companies	1 Company
Director of the company 8 Years 8 Months					Holding a Directorship in Related Companies :	- None -
Holding any position in a company or other companies in the past year that has significantly affected to dedicated working time: None						
12. Mr. Kiyaporn Chaiharasathien Position : ■ Company director ■ Member of Remuneration Committee ■ Authorized Director	47	■ Bachelor of Business Administration Assumption University	260,000 Or 0.25 %	- Daughter of Mr. Boonkiet Chokvatin - Wife of Mr. Vitapol Chaiharasathien	United Company	1 Company
					November 2020 - Present	Director
					2021 - Present	Remuneration Committee
					Non-Listed Companies	13 Companies
					Holding a Directorship in Related Companies :	- None -
Director of the company 1 Years 5 Months						
Holding any position in a company or other companies in the past year that has significantly affected to dedicated working time: None						
13. Mrs.Sudimol Klaysathien Position : ■ Executive director ■ Manager, Accounting-Finance	61	■ Bachelor of Accountancy, Bangkokmaeang University ■ Tax Controller Major in General Business School of Tax Training of Internal Audit and Control ■ Chief Finance Officer (CFO) 12/2009	33,000 Or 0.03%	- None -	United Company	1 Company
					2003 - 2012	Division Manager, Accounting and Finance
					2012 - 2021	Assistant Manager, Accounting and Finance Department
					2021 - Present	Manager, Accounting and Finance Department
					Non-Listed Companies	- None -
					Holding a Directorship in Related Companies :	- None -
14. Mrs.Nutchaporn Sunthornasit Position : ■ Executive director ■ Manager, Business Division	56	■ Bachelor of Business Administration (Marketing) Bangkok University	14,000 Or 0.015%	- None -	United Company	1 Company
					2003 - 2006	Assistant Division Manager, (Business)
					2006 - 2021	Manager (Business)
					2021 - Present	Division Manager (Business)
					Non-Listed Companies	- None -
					Holding a Directorship in Related Companies :	- None -
15. Mrs.Kalyanee Chantapikul Position : ■ Executive director ■ Manager, Purchasing Division	57	■ Master of Business Administration (Marketing) Chulalongkorn University	11,000 Or 0.01%	- None -	United Company	1 Company
					2006 - 2011	Assistant Division Manager (Purchasing)
					2011 - 2021	Manager (Purchasing)
					2021 - Present	Division Manager (Purchasing)
					Non-Listed Companies	- None -
					Holding a Directorship in Related Companies :	- None -

Name/Position	Age (Year)	Education	Shares holding *	Family Relationship between directors	Experiences in the Past 5 Years		
					Period	Position	Company
16. Ms. Pratchanin Engkarniam Position : ■ Executive director ■ Manager, Business Division	55	■ Master of Business Administration (Marketing), Chulalongkorn University	63,000 Or 0.06%	- None -	United Company		1. Company
					2006 - 2011	Assistant Division Manager, (Business)	People's Garnet PLC
					2011 - 2021	Manager (Business)	People's Garnet PLC
					2011 - Present	Division Manager (Business)	People's Garnet PLC
					Non-listed Companies		- None -
17. Ms. Suwalak Chaisarnsilhal Position : ■ Company Secretary ■ Executive director ■ Member of Risk Committee ■ Member of Corporate Governance Committee	56	■ Bachelor of Management Bangsorndejhasornya Rajabhat University ■ AMBA, Chulalongkorn University Training of Thai Institute of Directors - Company Secretary Program (CSF) 7/2004 - Effective Minutes Training (EMT) 7/2007 Faculty of Law, Chulalongkorn University - Laws and Practices For Company Secretary 42	73,767 Or 0.09%	- None -	Holding a Directorship in Related Companies :		
					United Company		1. Company
					2008 - Present	Company Secretary	People's Garnet PLC
					2004 - 2011	Department Manager	People's Garnet PLC
					2004 - 2021	Manager	People's Garnet PLC
18. Ms. Saliha Chaiyot Position : ■ Executive director ■ Assistant manager, Accounting Division	50	■ Bachelor of Accounting Bangsorndejhasornya Rajabhat University	2,333 Or 0.0024%	- None -	Non-listed Companies		- None -
					Holding a Directorship in Related Companies :		- None -
					United Company		1. Company
					2017 - 2021	Assistant Manager, Accounting-Financial Division	People's Garnet PLC
					2021 - Present	Assistant Division Manager, Finance - Accounting	People's Garnet PLC
					Non-listed Companies		1. Company
					Holding a Directorship in Related Companies :		- None -

Remark : * Included spouse and children who have not yet became sui juris.

Forbidden Qualifications

1. No record of undermining about wealth which is dishonest.
2. No record of being in conflict provided an interest of the company in the year 2021.

Offenses Record of the Directors, Managements and Controlling Parties

There is no offenses record of the directors, managements and controlling parties during the past 5 years regarding the violation of the Securities Exchange Act B.E. 2535 (1992)

or the Derivatives Act B.E. 2546 (2003), only in the following offences:

1. To act in bad faith or gross negligence;
2. To disclose or publish information or false statements which may mislead any person or concealing material facts which may affect the investment-making decisions of the shareholders,

investors or other related persons.

3. Unfair practices or exploitation in connection with security trading or derivatives transactions, or have ever been involved in or supported such actions.

Qualifications of the Highest responsible person responsible in the field of accounting and finance ("CFO"); Persons assigned to be directly responsible for overseeing bookkeeping ("Accountant")

Brief Profile : highest responsible person in accounting and finance ("CFO")

Name-Surname	Mrs. Sunan Niyomnaitham	Age 63 Year old / Thai Nationality						
Position	- Company Director - Deputy Managing Director - Member of Remuneration Committee - Member of Corporate Governance Committee - Chief Financial Officer							
Date of being appointed as "CFO"	11 May 2010							
Education in the company	- Bachelor of Political Science in Finance, Chulalongkorn University - Master's degree in Public and Private Management, National Institute of Development Administration							
Work Experience	<table border="1"> <tr> <td>1986 – 2012</td> <td>Director</td> <td>People's Garment PLC.</td> </tr> <tr> <td>2012 – Present</td> <td>Deputy Managing Director Chief Financial Officer</td> <td>People's Garment PLC.</td> </tr> </table>		1986 – 2012	Director	People's Garment PLC.	2012 – Present	Deputy Managing Director Chief Financial Officer	People's Garment PLC.
1986 – 2012	Director	People's Garment PLC.						
2012 – Present	Deputy Managing Director Chief Financial Officer	People's Garment PLC.						
Training from the Thai Institute of Directors Association (IOD)	- Director Certification Program (DCP)27/2003 - Roles of Compensation Committee 1/2006 Training of Internal Audit and Control - Chief Finance Officer (CFO) 3/2005							
Training for continuous knowledge development in accounting :								
1. TLCA CFO CPD No. 4/2021 "How finance leaders are adapting within the new normal " Organized by Thai Listed Companies Association								
2. Fraud & Cyber Security Risk: How do companies deal with the risks associated with fraud and cyber security? Organized by Thai Listed Companies Association								
3. TLCA CFO CPD No. 6/2021 "ESG integration in Sustainable" Organized by Thai Listed Companies Association								
4. TLCA CFO CPD No. 7/2021 "Economic update for CFO" Organized by Thai Listed Companies Association								

Brief Profile : Persons assigned to be direct responsible for overseeing bookkeeping (“Accountant”)

Name-Surname	Mrs. Sasivimol Kluyasritrakul	Age 61 Year old / Thai Nationality
Position in The company	- Executive Director - Deputy Manager of Accounting - Finance	
Date of being appointed as “Accountant”	11 May 2010	
Education	- Bachelor's degree in Accounting, Ramkhamhaeng University - Diploma of the Board of Tax Administrators for general business from the tax school	
Work Experience	2003 – 2012	Manager of Accounting-Finance People’s Garment PLC.
	2012 – Present	Assistant Manager of Accounting-Finance People’s Garment PLC.
Training from the Thai Institute of Directors Association (IOD)	Training of Internal Audit and Control Chief Finance Officer (CFO) 12/2009	
Training for continuous knowledge development in accounting :		
1. Trends and directions of making M&A, important issues to consider and strategies for making M&A successful, organized by the Stock Exchange of Thailand		
2. Update tax year 2021 organized by Saha Pathana Inter-Holding Public Company Limited		
3. Update the list of financial standards for non-interested entities Organized by the Association of Accounting and Law Firms		
4. Accounting for revaluation of assets and liabilities Organized by the Association of Accounting and Law Firms		
5. Update all tax issues that have changed in 2021, organized by the Association of Accounting and Law Firms		
6. Operation of the department store - Limited company under the Civil and Commercial Code, organized by the Association of Accounting and Law Firms		
7. How should an accountant prepare when meet the Revenue Department Organized by the Association of Accounting and Law Firms		
8. Financial Reporting Standard No. 16 Lease Agreements organized by the Association of Accounting and Legal Firms		
9. The role of forensic accountant in the digital world organized by the Association of Accounting and Law Firms		
10. In depth accounting law and correct practices Organized by the Association of Accounting and Law Firms		

Brief Profile :Company Secretary

Name-Surname	Mrs. Suvimol Charoensrichai	Age 58 Year Old /Thai Nationality
Position in Company	<ul style="list-style-type: none"> - Company Secretary - Executive Director - Manager of Stock registration and Personnel 	
Date of being appointed as “Company Secretary”	5 September 2008	
Education	<ul style="list-style-type: none"> - Bachelor's degree in General Management - Bansomdetchaopraya Rajabhat University - MINI MBA, Chulalongkorn University 	
Training from the Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> - Company Secretary Program (CSP) 7/2004 - Effective Minute Talking (EMT) 7/2007 	
Other training related to the performance of duties	Faculty of Law, Chulalongkorn University <ul style="list-style-type: none"> - Laws and Practices For Company Secretary Class No. 2 	

Duty and Responsibility of Secretary

The Company Secretary is responsible for performing duties as defined in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. caution and honesty as well as to comply with the law, objectives, articles of association, resolutions of directors, as well as resolutions of the shareholders' meeting.

According to the Securities and Exchange Act (No. 4) B.E. 2551, the Board of Directors must provide a company secretary, Responsible for performing duties as required by law on behalf of the company or the Board of Directors. The company secretary plays an important role in effective coordination inside and outside, The Board of Directors has therefore appointed:-

Mrs. Suvimol Charoensrichai was the company secretary on September 5, 2008 and **passed the Company Secretary Program (CSP) 7/2004, which is a course related to the duties of a company secretary from the Thai Institute of Directors Association (IOD)** and has also served as an Executive Director Details appear in “Details of Directors and Executives No. 17”

Composition and Qualification

1. Having basic knowledge in the principles of laws and regulations of regulatory agencies in relation to the law of public limited companies, Securities and Exchange Law.
2. Having knowledge and Understanding of Good Corporate Governance Principles and good practice on corporate governance
3. Having Knowledge of the company's business and good communication skills

Define the scope of duties and responsibilities as follows:

The Company Secretary has duties and responsibilities as follows:

1. Giving preliminary advice to directors regard to laws, regulations, rules and measures that the Board of Directors should know and follow and monitor to ensure proper and consistent practice including reporting significant changes to directors
2. Organize the general meeting of shareholders and meeting of the Board of Directors in accordance with the law related to Articles of Association and related practices
3. Record the minutes of the shareholders' meeting and the minutes of the Board of Directors' meeting as well as following up to ensure compliance with the resolutions of the shareholders' meeting and the Board of Directors' meeting.
4. Communicate with relevant regulatory agencies such as the Securities and Exchange Commission; supervise the disclosure of information and reports of relevant information in accordance with the rules and regulations of the SEC and the Stock Exchange of Thailand.
5. Coordinate between the Company's directors and the management and supporting the implementation of good corporate governance principles to comply with the regulations and announcements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and the Capital Market Supervisory Board.
6. Ensuring that the Board of Directors and Executives perform their duties properly and carefully by taking into account the rights of shareholders and fair treatment to shareholders.
7. Prepare and maintain important documents
 - Register of Directors
 - Noticed to the Board of Directors' Meeting / Minutes of the Board of Directors' Meeting
 - Noticed to the Shareholders' Meeting / Minutes of the Shareholders' Meeting
 - Report of information to be in accordance with the laws and related regulations.
 - Annual report and data form 56-1
8. Keeping report of stakeholder which is reported by directors or executives and provide a copy of the report of Stakeholder under section 89/14 to the chairman of the committee and the chairman of the audit committee within 7 working days from the date that the company receives the report.
9. Arrange an orientation and giving advice to newly appointed directors
10. Perform other actions as announced by the Capital Market Supervisory Board.

In addition, the Company Secretary has other duties as assigned by the Board of Directors as follows:

- Responsible for arranging meetings of the Board of Directors and shareholders' meetings
- Liaise with departments within the company to comply with the resolutions of the Board of Directors and Resolution of the shareholders' meeting

- Ensuring that the Board of Directors and executives perform their duties properly and carefully by taking into account the rights of shareholders and fair treatment to shareholders
- Arrange an orientation Giving advice to newly appointed director
- Other duties as assigned by the company

In this regard, the work of the company secretary has consisted of knowledgeable officers

- Field of Law
- Field of Accounting, in the view of Audit

Having passed training courses related to the duties of the company secretary from the Thai Listed Companies Association

Support to work more efficiently and promoting knowledge and understanding on good corporate governance for directors, executives and employees, including being entrusted to take care of the corporate image. It is like being the Supervise Unit of the organization.

In the case of a company that operates its main business by holding shares in other companies

-None-

Attachment 2. Details of Subsidiary 's Directors

- None

Attachment 3. Details about the supervisor, internal auditor, and Head of Compliance

The Board of Directors has assigned the Audit Committee to be responsible for reviewing the Company's internal control system adequately, and be suitable for business operation and efficiency in operation. Moreover, it must be reported to the Board of Directors and shareholders. and setting up an internal audit unit separated into one unit of the company, there is a Hierarchy of command directly to the Audit Committee.

. Head of Internal Audit

1.1 Person assigned to work as the head of internal audit

Ms. Warassara Bunchujaras : Secretary of the Audit Committee

Taking a position of Head of Internal Control

1.2 Education Profile

Bachelor's degree, Bansomdetchaopraya Rajabhat University,
Majoring General Management

1.3 Working Experience and Training

:	2021 – Present	Head of Internal Control Unit
	2014 - 2021	Internal Audit Officer
	1994 – 2013	Accounting Officer

1.4 Duties and Responsibilities of the Head of Internal Audit

Responsibility: Reviewing the assess adequacy, Suitability, and efficiency of the internal control system. Having audit standards and there is sufficient independence by giving suggestions for improvement to create value-added to the organization and support the company's corporate governance process.

In 2021, the Audit Committee has performed duties as assigned by the Board of Directors completely and adequately. There is an internal audit unit as a tool to support the mission accomplishment. The internal auditors are qualified to perform their duties appropriately. The results of the internal control system assessment were reported on issues that need to be corrected to the auditors and related agencies, including appropriate recommendations as the management deems necessary for the Company's business operations and presented to the Board of Directors to be considered in the Board of Directors' meeting every quarter.

The internal audit will report the results of the assessment and review the internal control system to the Audit Committee every quarter and in 2021, the Audit Committee held 5 meetings and reported the results to the Board of Directors every quarter. Moreover, the Audit Committee has reported related to comment on the adequacy of the internal control system and risk management system of the company in the annual report titled "Corporate Governance report of the Audit Committee".

Attachment 4. Assets used in business operations

4.1 The Company's fixed assets as of December 31, 2021 are as follows:

1. Lands

Location	SIZE			Nature of Proprietary	Net Book Price (ML.)	Obligation
	RAI	NGAN	SQM.			
Lumphum	42	2	49.10	Owned	9.31	No obligation
Kabinburi	9	-	104	Owned	8.33	No obligation
Chachoengsao	6	4	122	Owned	24.63	No obligation
Total					42.27	

2. buildings and structures

Location	SIZE	Nature of Proprietary	Net Book Price (ML.)	Obligation
Lumphun	Building	Owned	4.04	No obligation
Kabinburi	Building	Owned	21.25	No obligation
Chachoengsao	Building	Owned	1.0	No obligation
Petchburi	Condominium	Owned	7.03	No obligation
Nakhon Ratchasima	Building	Owned	9.18	No obligation
Bangkok	Building(5 Floors)	Rent		
Total			42.50	

3. Machinery and equipment

Nature of Property	Nature of Proprietary	Number of Machine	Net Book Price (ML.)	Obligation
Machinery and equipment	Owned	2,330	8.50	No obligation
Knitting Machine	Owned	50	-	No obligation
Total		2,380	8.50	

4.2 Important intangible assets

Licensed Trademark	Counterparties
ELLE	It is a contract between People's Garment Public Company Limited and Saha Pathana Inter Holding Public Company Limited, which will expire in 2023. (Payment of ROYALTY on a monthly basis)

Attachment 5. Corporate Governance Policy and Practice, and Business Ethics

Corporate Governance Policies

The Board of Directors thereby prescribed the following governance policies as a practice guideline for the Company directors, Executive Officers and all employees.

1. Company Directors, Executive Officers and all employees are fully committed to the application of governance principles, business ethics and Codes of Conduct for Company Directors, Executive Officers and employees to Company operations.
2. Company Directors, Executive Officers and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.
3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committee and Executive Officer.
4. An internal control system shall be installed and risks shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.
5. Information shall be disclosed in a sufficient, reliable and timely matter to the extent that the legitimate interests of the Company are not prejudiced.
6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.
7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment
8. Adhering to business excellence by committing to create satisfaction for customers by paying attention to listen and review ourselves to increase potential of management and always create the best thing.
9. To cultivate morals and ethics, creating good conscience along with treating employees with fairness and strive to continuously develop and upgrade their capabilities.
10. Focusing on Anti-corruption and not to infringe on intellectual property including respecting to the law and human rights.
11. Treating conflicts of interest with prudence and reason by taking into account advantage of the company as priority.

The company has disclosed the “Good Corporate Governance Principles” in full version.

which consists of

- Principles of Good Corporate Governance
- Good Corporate Governance Policy
- 8 principles of good corporate governance
- Business Ethics



On the company website www.pg.co.th under the topic “Good Corporate Governance”

http://www.pg.co.th/webpg/app/front/profile/governance_principles.php



Attachment 6

- Governance Report of the Audit Committee
- Risk Management Committee Report
- Report of the Corporate Governance Committee
- Report of the Nominating Committee
- Report of the Remuneration Committee
- The Board of Directors' Responsibility Report towards Financial Statements
- The Executive Board's Report

Governance Report of the Audit Committee

The Audit Committee of Pracha Aporn Public Company Limited was appointed by the Board of Directors meeting, and approved by the annual general meeting of shareholders according to the agenda for the election of directors. The Audit Committee members are fully qualified according to the regulations of the Stock Exchange of Thailand. He is qualified and has experience in accounting, finance, law, economics and management. Consisting of 3 independent directors namely Mr. Khachornsakdi Vanaratseath, Chairman of the Audit Committee, Mrs. Nuchanart Thammanomai and Mr. Santi Bangor as Members. The whole Audit Committee has duties and responsibilities in accordance with Audit Committee Charter.

The Audit Committee has functions and responsibilities as stated in the Charter of the Audit Committee as guideline to perform duties clearly. The Audit Committee regularly reviewed the charter of the Audit Committee and the Internal Audit Department's charter for the year. Moreover, there is supervision the internal audit department to perform its duties adequately according to the scope of duties and responsibilities of the Audit Committee Completely which is comply with the regulations of the Stock Exchange of Thailand.

The Audit Committee performed duties independently with due regard to good governance. The Audit Committee's functions are to oversee that the Internal Auditor fully performs duties and to promote the transparent administration of the Company, adherence to codes of conduct, sustainable business operations, building trust of shareholders and all stakeholders. The internal audit completely performs its duties according to the rules and charters. It is also support the management of company so that all processes are in accordance with the appropriate procedures and operate business with transparency to be compliance with regulations of the Stock Exchange of Thailand and Securities and Exchange Commission and other related laws.

Regarding the situation of the epidemic of COVID-19 in the year 2021, The Company has been prudent in management in order that the Company can continue business safely, the Audit Committee held 5 meetings to consider the agenda of the 2021 Audit Committee Meeting, which are as follows:

- **Review of financial statements**

Review the financial reports for the 1st, 2nd, 3rd quarters and the year 2021, which have been audited by the Company's auditors. The Audit Committee considered the said financial statements. Regarding the financial statement analysis report, there were observations and inquiries to the management wherein the management explained the issues affecting the financial statements, company performance. The impact of the COVID-19 epidemic situation. The Company's auditor has reviewed the financial statements and express an unconditional opinion and provide guidelines for accounting practices, this is beneficial to the company regarding the accounting standards that are practiced.

- **Review of connected transactions**

Reviews have been carried out of connected transactions in quarters 1st, 2nd and 3rd as well as in the Annual Report of 2021 to ensure that the transactions were conducted in the normal course of business. There is a request for approval for the credit limit of the type of connected transaction according to the requirements of the SET which is operated in a transparent manner and it is beneficial to the company with free from any conflicts of interest and they are clear and fairly, The quarterly reports were submitted to the Audit Committee for approval prior to submission to the Board of Directors.

Regarding the connected transaction for 2022, the transaction is in form of proposal, the principles and monetary limits of connected transactions were approved by a resolution of the Board of Directors in meeting number 6/2021 on 21st December 2021.

- **Review of internal control efficiency**

The Audit Committee supervised the performance of the Internal Auditor and promoted independent functioning. Furthermore, a charter for internal control was provided in line with the duties and responsibilities of the Audit Committee. This charter is reviewed annually. The internal audit division conducted evaluations and monitored the performance of internal controls of important activities to ensure proper performance of functions and administration, and to prevent risk of loss to the Company. The Audit Committee has given approval to the Annual Internal Audit Plan.

The Audit Committee annually considers the internal audit plan to ensure the effectiveness of the internal audit activity. By supporting the administration and the operations of the company, the plans are within the framework of the internal control system with transparency and it complies with the regulations of the Stock Exchange, Anti-Corruption Policy, and relevant legal requirements.

The Audit Committee found that the Company's internal control system in 2021 were sufficient. The company has reviewed the organizational structure. Process improvement To be suitable for business Reporting results of corrective audits Suggestions have been implemented. The Audit Committee has a meeting with management on important matters to find ways to improve, correct and develop the work system to be efficiency and benefit to the company.

- **Reviews of compliance with laws and regulations of the Stock Exchange of Thailand**

The company completely operates business in complies with the rules of Securities and Exchange regulations, Securities and Exchange Commission, and other relevant laws. The Audit Committee is of the opinion that the Company's business operations are in compliance with adequate and appropriate requirements.

- **Appointment of auditors and audit fee for 2022**

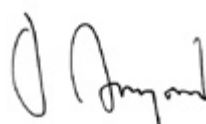
The Audit Committee considered the appointment of an auditor for the year 2022. EY Auditors Office was nominated as the Company Auditor for another term. Such auditor possessed the qualifications pursuant to the regulations of the Stock Exchange of Thailand and had fully complied with auditing standards when performing audits. As a consequence, it was proposed that nominations be made for the appointment of Mrs. Orawan Techawattanasirikul certified public accountant registration number 4807, and/or Mrs. Kingkarn Asawarangarit, certified public accountant registration number 4496, and/or Ms. Pimjai Manitkajornkit certified public accountant registration number 4521, and or Ms. Rossaporn Dejakhom certified public accountant registration number 5659, and/or Ms. Sumana Punpongsanon certified public accountant registration number 5872, and/or Ms. Kirdsiri Kanjanaprakasit certified public accountant registration number 6014 as auditors for the year ending 31st December 2022. The quarterly audit fee was 150,000.00 baht, for 3 quarters, a total of 450,000.00 baht in quarterly audit fees. The fee for auditing the annual account was 810,000 baht, or a total of 1,260,000.00 baht, equally to the last year, excluding other examination service fees. It was therefore submitted to the 2022 Annual General Meeting of Shareholders.

- **Summary of Audit Committee performance**

In 2021, The Audit Committee held a total of 5 meetings. Sufficient members of the Audit Committee were present at every meeting to constitute a quorum. The Audit Committee considered important agenda items, in particular, giving opinions on the accuracy, comprehensiveness and reliability of financial statements, reviews of connected transactions, compliance with regulations of the Stock Exchange of Thailand and relevant laws, reviews on the sufficiency of internal control systems, assessments of internal control performance, including reviews of the workforce of internal auditors and approval of the annual internal audit plan.

The Audit Committee has performed duties with caution, prudence and independence in the review of the management's administration. The Audit Committee promotes the Board of Director's compliance with regulations of the Stock Exchange of Thailand and preserves the greatest benefits of shareholders and stakeholders in accordance with good governance principles. The Audit Committee Recommend the Internal Audit Department to establish the work plan and perform internal audit to support the management according to the Company's objectives in comply with important accounting policies, Anti-Corruption Policy to make the transparent administration, honesty, and integrity.

On behalf of the Audit Committee



Khachornsakdi Vanaratseath
Chairman of the Audit Committee

Risk Management Committee Report

Risk Management Committee of the year 2021

1. Gen. Konecharnart	Chunnabhata	Independent Director / Chairman of Risk Management Committee
2. Mr. Chailert	Manoonpol	Director
3. Mr. Viritpol	Chaithavornsathien	Director
4. Mrs. Sasivimol	Kluyasritrakul	Director
5. Mrs. Suvimol	Charoensrichai	Director
Ms. Chapaon	Srisuntisuk	Secretary

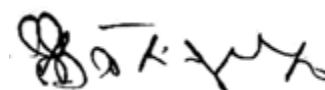
In the present situation, it is accepted that important factors that can be cause of risks which is an opportunity and the impact on the management of various businesses of all organizations in the general industrial system. The outbreak of the virus that has occurred since 2020. It implies an unforeseen emergency besides the factors that are the main issues for each section, which is the constituent of the organization that must integrate in the effective management of the business in accordance with the measure to stimulus strengthening of economic, social and political as assessed by the Risk Management Committee and analyze by coordinating in benefits as information to the management throughout each past quarter.

Although the management is able to adjust the business strategy plan in accordance with the unpredictable conditions as above. The operating results based on audit of the quarterly balance sheet by certified auditors clearly show that the organization's management can maintain business liquidity in each quarter at a satisfactory level.

Amid the epidemic of the virus that continues to spread continuously; however, the trend which is such an impact remains unrelenting in any way, the government has therefore formulated clear measures in order to maintain the overall industrial system with a method of understanding the people of all groups that are risky and be ready to accept the situations that we have to continue living with this new strain of virus.

Therefore, the risk is an opportunity and affect the organization in the future should be aware of it. The organization's network group, which consists of a variety of business networks may be an important factor in risk management, especially human resource management in the textile industry in order to achieve efficient operating results in accordance with the intention of the shareholders to trust in the business management of the company.

Gen.



(Konecharnart Chunnabhata)

Chairman of the Risk Management Committee

Report of the Corporate Governance Committee

Report of the Corporate Governance Committee

Corporate Governance Committee of People's Garment Public Company Limited consists of 3 Company Directors and 1 Executive Director, as follows:

1. Mr. Santi	Bangor	Independent Director/Chairman of the Corporate Governance Committee
2. Mr. Viritpol	Chaithavornsathienom	Member/Director
3. Mrs. Sunan	Niyomnaitham	Member/Director
4. Mrs. Suvimol	Charoensrichai	Member (Director) / Secretary

The Board of Directors has realized to the importance of good corporate governance which is the fundamental of the development for sustainable organization. The Board of Director assigned the Corporate Governance Committee to be responsible for these duties and to support the operations of the Board of Directors in term of corporate governance of the company including promoting and developing in the area of corporate governance to be effective and consistent with good corporate governance principles of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Moreover, it is to give advice and support to ensure effective operations and development towards the culture and values of the organization, which will create credibility and confidence for all stakeholders.

In 2021, the Corporate Governance Committee held 2 meetings to monitor the Company operations and consider good governance issues. A report was submitted to the Board of Directors for consideration. The following issues were raised.

1. Review the Corporate Governance Policy, business ethics, Code of Conduct, management and staff, and the Board of Directors' charter in order to comply with the rules of the Securities and Exchange Commission Stock Exchange of Thailand and Criteria for Corporate Governance Assessment.

In 2021, considered and approved the amendment of the Board of Directors' charter. and anti-corruption policy including guidelines for compliance with anti-corruption policies to be in line with the self-assessment form, revised version 4.0 of the Thai Private Sector Collective Action Against Corruption (CAC) and the improvement of the Company's action plan. To lead the application for renewal of CAC membership certification in 2022.

2. Acknowledged the assessment of corporate governance according to the project CGR for 2019 and considered for approval of the IOD's recommendations, wvvhich is an issue that the company has not yet performed by the company and it will be proposed to the board of directors for consideration in order to improve and leverage the assessment results continually.

Nevertheless, The Board of Directors has agreed to hold a meeting between non-executive directors with no management attending the meeting which was conducted in December 2021 for the third consecutive year.

3. Acknowledged the preparation of the annual registration statement (Form 56-1One Report), which is newly revised and clear. It is effective in the fiscal year ending December 31, 2021.

4. Considered and approved the Company's corporate governance report for displaying in the annual registration statement (Form 56-1 One Report).

The Corporate Governance Committee has continually promoted compliance with good governance principles and anti-corruption policies. As a consequence, the Company received a “Very Good” rating in the good governance assessment for 2021 for the 4th consecutive year. Furthermore, the Company received the full score of 100 for quality assessment of the Annual General Meeting for 2021 from the Thai Investors Association for the 13th consecutive year. The Corporate Governance Committee commits to develop good corporate governance continuously for the benefit of all stakeholders/participants, including society and the nation as well.



(Mr. Santi Bangor)

Chairman of the Corporate Governance Committee

Report of the Nominating Committee

Nominating Committee of People's Garment Public Company Limited consisted of Board of directors 4 persons named below:-

- | | | | |
|----|--------------|--------------------|--------------------------------------|
| 1. | Mr. Boonkiet | Chokwatana | Chairman of the Nominating Committee |
| 2. | Mrs. Chortip | Pramoj Na Ayudhya | Independent Director |
| 3. | Mrs. Somporn | Tiyaviboonsiri | Director |
| 4. | Mr. Viritpol | Chaithavornsathien | Director |

Realized the importance of recruitment and selection of the Board of Director and Top - Level Management, the company nominated the independent candidates performing duties as the Nominating Committee to be responsible for recruitment and selection as well as proposed caliber and qualified candidates from various professions to take a position of director and Top - Level management.

In 2021, the Nominating Committee conducted meeting 2 times to consider and giving approval to the Board of Directors as summarized below:-

- Nominated and proposed candidates who had qualification to take a position of Director in case of vacancy and term completion. The member who has stake in an interest in any agenda shall be abstained from voting and not attend the meeting to consider such agenda.

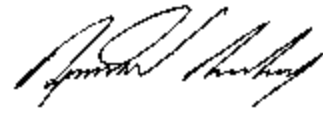
According to the 42nd of Annual General Meeting of Shareholders to be held on Tuesday 27th April, 2021, there were consideration of candidates' qualification for taking into a position of Board of Directors to replace the directors whose term was completion. However, 4 former directors were renew the term and named as follow:- Mr. Boonkiet Chokwatana, Gen. Konechanart Chunnabhata, Mr. Santi Bang-Or, and Mrs. Kityaporn Chaithavornsathien to be appointed a position of Company's director.

In addition, the Board of Directors provided opportunities for minority shareholders to participate in proposing a person to be a director prior to the Annual General Meeting of Shareholders. It appears that in 2021, no shareholders nominated persons to be considered for election as company director at all.

- Considered and nominated directors to act as sub-committees by considering the composition of the sub-committees, qualifications, knowledge, expertise, abilities, and skills that are relevant and suitable for performing the duties of the sub-committees and presented to the Board of Directors for consideration and appointment.

- Considering the charter of the Nomination Committee every year in order to comply with relevant practices guideline.

Nominating Committee perform its duties with care, integrity, thoroughness, completion, independence, and cautiousness, the committee proposed and giving opinion to Board of Directors for consideration so as to comply with Corporate Good Governance and be acceptable in accordance with international standard accordingly.



(Mr. Boonkiet Chokwatana)

Chairman of Nominating Committee

Report of the Remuneration Committee

Remuneration Committee of People's Garment Public Company Limited consisted of Board of directors 3 persons named below:-

- | | | | |
|----|--------------|-------------------|--|
| 1. | Mr. Boonkiet | Chokwatana | Chairman of the Remuneration Committee |
| 2. | Mrs. Chortip | Pramoj Na Ayudhya | Independent Director |
| 3. | Mrs. Sunan | Niyomnaitham | Director |

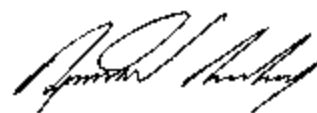
Realized the importance of recruitment and selection of the Board of Director and Top - Level Management, the company nominated the independent candidates performing duties as the Compensation Committee to be responsible for propose remuneration policy and principles of remuneration for directors and member of sub-committees, and Top - Level management in consideration of appropriateness compared to duties and responsibilities which are consistent o company's performance, and current economic situation.

In 2021, the Remuneration Committee conducted meeting 2 time to consider and giving approval to the Board of Directors as summarized below:-

- Considered the remuneration for directors and member of sub-committee in consideration of appropriateness compared to its duties, responsibilities, similar industry, and performance of the company. In 2021, the remuneration payment has been considered and approved for directors and member of sub-committee by agreeing to pay the meeting allowance to independent directors only and the remuneration for the year 2021 is paid to all directors of the Company.

- Considered monthly remuneration for Managing Director and Deputy Managing Director.
- Considered and determined monthly salary increment and annual bonus payment based on appropriate level and company's performance.
- Considered the charter of the Remuneration Committee annually in order to perform duties efficiently.

The Remuneration Committee performs its duties in undertaking the assigned responsibilities; as well as submitted the meeting report to the Board of Directors for consideration. The committee committed to perform its duties with Equality, Integrity, transparency in accordance with Good Corporate Governance defined by the Stock Exchange of Thailand.



(Mr. Boonkiet Chokwatana)
Chairman of Remuneration Committee

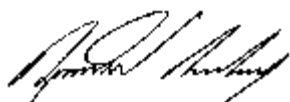
The Board of Directors' Responsibility Report towards Financial Statements

The Board of Directors duly recognized their obligations and responsibilities on behalf of the directors of listed company regarding to the compilation of financial statements of People's Garment Public Company Limited. Said financial statements were prepared in accordance with Thai Financial Reporting Standards (TFRS), based on the adoption of appropriate accounting policies on a consistent basis, accompanied by careful consideration and justifiable accounting estimate. Significant information was disclosed adequately in the notes to financial statements. The explanation and analyses of company performance and financial standing were provided for advantage of shareholders and investors. Said financial statements were duly audited and unconditionally verified by independent certified auditors.

Furthermore, the board of directors enhances good governance and promotes to have effectiveness of risk management and internal control system. Accounting information was recorded with correct and complete manner, also sufficient for safeguarding the company's asset and against any significant fraud and abuse.

The Audit Committee consists of independent directors who officiate at reviewing the quality of the financial and internal control report. The audit committee's opinion was stated in audit committee report which shown in Annual Report and Form 56-1, One Report.

The board of directors gave its opinion that good corporate governance practice, risk management system and internal control system of company are adequate and appropriate. The financial statements as of December 31, 2021 was prepared correctly and presented significant main point.



Mr. Boonkiet Chokwatana
President to Board of Directors



Mr. Viritpol Chaithavornsathien
Managing Director

The Executive Board's Report

The board of directors has appointed the executive committee to be responsible for the overall management and to perform the duties of managing the business of the company as assigned by the board of Directors and in accordance with the established Charter of the Executive Board.

In 2021, the Executive Committee held a total of 12 meetings to perform its assigned duties to consider and give opinions to the Board of Directors in summary as follows

1. Proposed the annual goals and business strategies together with action plans; as well as undertake its responsibilities to manage business activities of the company in accordance with its policy, strategic directions and objectives.

2. Approved the annual investment budget of the company that are planned for investment to expand its business operations with regards to production technology, information technology, together with investment to develop the potential capabilities of its human resources at all levels for competitive advantages.

3. Ensured that related financial reports are prepared and ready for the external auditor to review and examine; as well as to give their opinions before the reports are submitted to the Audit committee and the Board of Directors respectively. In addition, monitored on a monthly basis, the overall business operation and activities of the company.

4. Considered and reviewed of all "Connected transactions" together with proposed acquisitions or disposal of any assets of the company with carefulness, so that the transactions are undertaken in a reasonable prices and appropriate terms and conditions, through taking into consideration the best benefit of the company and shareholders, by which member of Executive Boards having vested interests are not allowed to participate in making decision on such matters. Thereafter the reports are submitted to Audit committee and Executive board for final consideration and approval respectively.

5. Supported and promoted employees to invent products and innovation on continuing basis for ability to create or add value to the products.

6. Oversaw, supported, and promoted the management and employees to acknowledge the Anti-corruption policy and regulations of the company

7. Reviewed the existing Charter for the Executive Board, as operating guidelines in discharging its assigned duties and responsibilities, remain appropriate and relevant to the current business situation.

8. Provided Delegated Authority Manual to state authorization and approval clearly and appropriately to organization, together with strengthen administration and management to be more effectiveness.

The Executive board is committed to manage the business to achieve the Vision, Mission, Goal, Corporate business strategies and manage under the principles of good corporate governance, transparent, verifiable, and fairness along with operating business by taking into account its corporate social and environmental responsibility for company growth consistently.



(Mr. Viritpol chaithavornsathien)

Managing Director

Social and Environmental Awards

Institute/ Organization	Year	Honor Awards
Ministry of Labor	2021	Awarded the Excellent Establishments on Labor Relations and Social - Head Office : 14 consecutive year (2008 – 2021) - Lumpfun : 14 consecutive year (2008 – 2021) - Kabinburi : 13 consecutive year (2009 – 2021)
		Received the certificate of “Establishment with Good Labor Practice: (GLP)”
	2015	Establishments that are committed to implementing safe workplaces in the honor of HRH Princess Maha Chakri Sirindhorn
	2013	Awarded the Standard on Prevention and Solution to Drugs Problems in an Establishment (SDE)
		Awarded the Excellent Establishment on Safety, Occupational Hygiene and Working Environment in the provincial level at Lumpfun branch.
	2021	Zero Accident Statistic Award, Diamond Level (Zero Accident Campaign) for the 7th consecutive year
Ministry of Social Development and Human Security	2013	Received the certificate for promoting of recruiting disable persons exceeds quota defined by the legal.
Ministry of Industry	2015	Received the certificate for promoting of recruiting disable persons exceeds quota defined by the legal.
Social Security Office	2020	Received the certificate of establishment for employment of disable persons exceeds quota defined by the legal
Food and Drug Administration Ministry of Public Health	2019	Received a plaque of honor for outstanding establishment of the year 2019 for timely delivery of the contribution in accordance with Thailand 4.0 policy
Food and Drug Administration Ministry of Public Health	2020	Obtained certification of medical device manufacturing establishments.

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