

# SABINA

## 56-1 One Report 2021

แบบแสดงรายการข้อมูลประจำปี 2564

บริษัท ซาบีน่า จำกัด (มหาชน)



SABINA PUBLIC  
COMPANY LIMITED

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## Message from the Chairman

The year 2021 was another year when we kept adapting to the COVID-19 pandemic, which had a direct impact on the storefront sales channel, which accounted for the largest share of Sabina sales. This was affected by the widespread store closures between July and August. With the most store closings in 29 provinces, totaling 313 stores during the months of July to August 2021. Sabina Public Company Limited had to adapt to more difficult problems than the year 2020 in the first strike of the pandemic. Since 2020, we have received some aid from the government. In 2021, we had to balance between income and expenses by ourselves. In an unpredictable situation under the ongoing pandemic situation of COVID-19, Sabina Public Company Limited will be able to maintain operations in 2021 as expected with great cooperation both inside and outside the organization. Even though the total sales in 2021 was 9%, or 258 million baht, less than 2020, the total sales were 2,656 million baht, and we could create a net profit of 2021 which was 6% higher than the year 2020, accounting for a net profit of 294 million baht in 2021.

According to the operating results, the Board of Directors has resolved to pay a dividend of 0.85 baht per share, but since the Board of Directors had already resolved to pay the interim dividend in the amount of 0.41 baht per share, it is advisable to propose to the general meeting of shareholders on April 21, 2022 to approve the payment of another dividend at the rate of 0.44 baht per share, which is scheduled to be paid on May 19, 2022.

In 2022, the Company's main goal is to drive total sales back to the point where we had the highest sales in 2019 by focusing on the development and improvement of all sales channels with the principle of reducing waste and increasing efficiency in every step of business operation and our keys are to focus on marketing planning and selling by using customer-centric marketing and connecting various joints to create a seamless customer experience. For communication with customers and various stakeholders, we focus on digital communication channels to speed up access to news and information as follows:

- Facebook: sabinathailand
- Instagram: sabina\_ig
- Tiktok: sabina\_thailand
- YouTube: sabina channel
- Twitter: sabinathailand
- Blockdit: Sabina
- Line@: @sabinathailand
- www.sabina.co.th

We continue to expand new distribution channels including new markets to foreign countries, continuously focusing on countries in Southeast Asia especially in CLMV countries (Cambodia, Laos, Myanmar



and Vietnam) by adjusting the plan to focus on building brand awareness of Sabina products via online channels before entering the market with a storefront, depending on the suitability of each area and the opportunity to create a market in each country. The new resolutions and visions of the organization have been adjusted in order to be more modern and clearer in the Company's business guidelines as follows:

*"We are committed to creating product value as well as modern innovation  
to build confidence, giving our consumers a better life every day  
by focusing on managing the business to grow and have sustainable profits."*

In 2021, we, Sabina, were proud to be named as one of the sustainable stocks of Thailand Sustainability Investment (THSI) for the year 2021 by the Stock Exchange of Thailand. This reflected the adoption of sustainability strategies in business management, having a good risk management process, adapting and creating competitive opportunities through business innovation. In addition, this sustainable stock in 2021 had a comprehensive crisis management approach to cope with the pandemic situation clearly, despite having to face hardships from the spread of COVID-19.

Another pride of Sabina was the Rising Star Sustainability Awards from the 18th SET Awards 2021 organized by the Stock Exchange of Thailand in collaboration with the banking and finance journal. It was considered from listed companies that stand out in sustainable business operations as a whole, taking into account the environmental, social and governance (ESG) goals. The award reflected Sabina's commitment to corporate governance principles for the benefit and equality of all relevant sectors along with business operations for sustainable growth of the organization including passing on good opportunities to society and the public through various projects that Sabina has always undertaken whether it's a breast implant to be delivered to breast cancer patients who have undergone surgery, the Zero Waste program, or the financial literacy program to help indebted employees live a better life.

On behalf of the Board of Directors, executives, and employees, we will adhere to business operations under the principles of good governance to build the organization's sustainability. We truly thank the shareholders, customers, business partners, business alliances as well as all stakeholders for the trust and confidence in the potential of the Company that you have always given to the Company. We are ready to take Sabina to become a regional brand and one of the proud Thai brands of Thai people.



(Mr. Viroj Thanalongkorn)

Chairman

## Financial Highlights

Unit: Million Baht

	<u>Consolidated financial statements</u>		
<u>Performance</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1. Total incomes	3,294.96	2,913.83	2,655.71
2. Incomes from sales and services	3,279.74	2,898.00	2,631.36
3. Gross profit	1,785.61	1,373.20	1,285.59
4. Operating profit	509.16	339.07	348.71
5. Net profit	413.25	276.81	294.19
<u>Financial Status</u>			
1. Total assets	3,017.91	2,803.94	2,703.31
2. Total liabilities	1,156.97	1,008.83	874.09
3. Total shareholder's equity	1,860.94	1,795.11	1,829.22
<u>Financial Ratio</u>			
<u>Liquidity Ratio</u>			
Current ratio (times)	2.33	2.54	3.02
Account receivable turnover (times)	8.00	7.10	6.55
Inventory turnover (times)	1.12	1.03	1.01
Account payable turnover (times)	8.46	10.96	10.51
<u>Profitability Ratio</u>			
Gross profit margin (%)	54.44	47.38	48.86
Net profitmargin (%)	12.54	9.50	11.08
Return on equity (%)	22.36	15.14	16.23
<u>Efficiency Ratio</u>			
Returns on assets (%)	14.71	9.51	10.68
<u>Financial Policy Ratio</u>			
Debt to equity ratio (times)	0.62	0.56	0.48

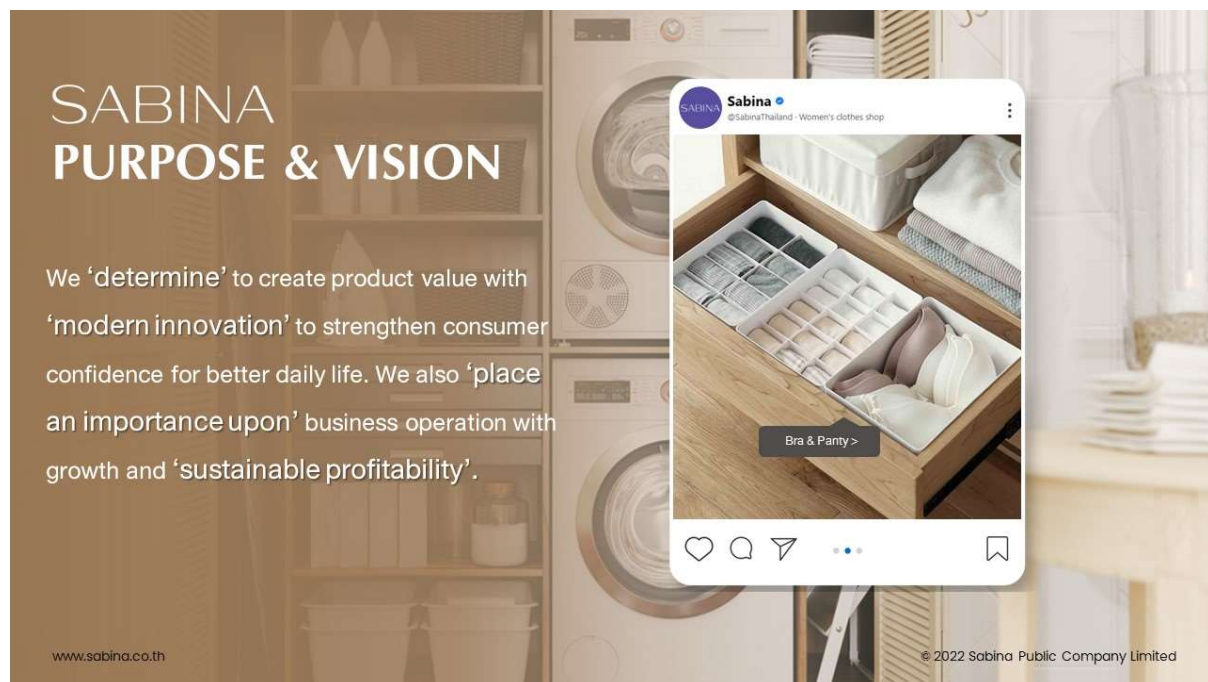
## Part 1

### Business Operation and Performance

#### 1. Structure and Operation of the Business Group

##### 1.1 Business Policy and Overall Operation

##### 1.1.1 Vision, Mission, Objectives and Goals



#### Purpose and Vision

The company has adjusted the resolution and vision of the company to be more modern and align with the current age and be the long-term goal for business operations of the company. The purpose and vision of Sabina Public Company Limited are as follows:

We 'determine' to create product value with '*modern innovation*'  
to strengthen consumer confidence for better daily life.

We also '*place an importance upon*' business operation with growth and '*sustainable profitability*'.

The long-term goal will be stated in the purpose and vision of the company, which will be the foundation of the company and brand to show the determination of the company to operate the business.

## SABINA Mission

- 01  **SABINA PROMISE**  
Customer satisfaction is our ultimate goal.
- 02  **DATA-DRIVEN MARKETING**  
Operated with Data-Driven Marketing innovation – decision making is implemented on data utilization.
- 03  **SUSTAINABLE PROFITABILITY**  
Focusing on sustainable profitability.
- 04  **LEAN ENTERPRISE**  
Eliminating wastes occurring at every step of supply chain process to consumers
- 05  **ESG**  
Focusing on sustainable business operation covering environmental, social, and corporate governance aspects.



### Mission

For missions, the company states the operation framework, based on the purpose and vision of the company. Short-term goals (1–5 years) are set as the company mission for clear operations and the minor goals for each section are set using tools to set goals and objective key results for easy result evaluation and real operation. The OKR of every sector in the organization must align with each other to support the overall OKR of the organization to succeed.

The missions of the company are identified as follows.

1. **SABINA PROMISE** : Customer satisfaction is our ultimate goal.
2. **DATA – DRIVEN MARKETING** : Operated with Data-Driven Marketing innovation – decision making is implemented on data utilization.
3. **SUSTAINABLE PROFITABILITY** : Focusing on sustainable profitability.
4. **LEAN ENTERPRISE** : Eliminating wastes occurring at every step of supply chain process to consumers.
5. **ESG** : Focusing on sustainable business operation covering environmental, social, and corporate governance aspects.



## Strategy and Long-term Goals of 2022–2025

For long-term goals from now on in 2022–2026, the company expects the sales to be back to normal after passing the COVID-19 crisis during the past 2020–2021. The overall sales trend begins to get back to normal. The highest goals of these 5 years still focuses on the following goals.

The clear goals for growth are as follows:

- a. To drive Sabina to be the number one brand for lingerie in Thailand and step up to be the regional brand of Asia, mainly focusing on customers' satisfaction.
- b. To be the leading brand of modern innovation both in terms of producing the products by modern and effective machines to reduce the processes and management for the purpose of accurate planning for operations and fast adjustment.
- c. To focus on developing and improving the operations to attain sustainable profit.
- d. To focus on driving the organization to be the best with the concept of reducing waste in every operation process. The company highlights reducing operation costs, mistakes, operation cycles and response to supply properly and in a timely manner.

- e. To focus on sustainable business operations. The company was selected to be on the Thailand Sustainability Investment (THSI) list of 2021 by Thailand Stock Exchange, which reflects business operations with a sustainable strategy, proper risk management, adaptation and opportunity creation through the business innovation competition, as well



as valuing the stakeholders, both community and society. Moreover, THSI of 2021 provided the crisis management guideline that clearly covered the epidemic handling. Although SABINA must face the hardship from the COVID-19 epidemic, we are still determined to create the best business opportunity along with fostering sustainability to ensure shareholders, customers and partners, who will grow together stably.

The company has redivided the sales structure into three main parts for clear and easy management as follows:

1. **Domestic sales of the Sabina brand or Retail Business** The company believe that the domestic market can continue to grow as the market changes. The following strategies show how to grow the domestic market effectively:

- a. Modify the sales model to serve customers and meet their changing needs and behaviors by focusing on reaching customers rather than waiting for customers to go to the store.

- b. Continually focus on research and development of quality and product formats by focusing on innovation in order to meet the needs of customer of all types and increase product variety by putting customers first.
- c. Storefront cost management by developing a system for convenience, speed, accuracy.
- d. Develop the ability of salespeople to have multi-skill in working to reach more customers and to be able to generate additional income, focusing on premium services.

2. **Non-Store Retailing : NSR** Another way that the company can use to emphasize on development and accelerate the growth rate is non-store retailing. Despite a few years of implementation, it has generated the highest growth rate. Non-store retailing also covers all sales channels and does not overlap with storefront sales where salespeople stand by to serve customers. The goals and strategy of non-store sales are as follows :

- a. To delivery service channels that normal stores have not been able to reach or that require a high access cost to reach.
- b. Focus on the development and improvement of products for specific sales channels by putting customers first and working towards meeting the needs of each target group.
- c. Use modern technology for service system development, to be fast, accurate and accessible whenever customers want.
- d. To expand the product quality development and service standard for the customers to respond to the goal, which is customers' satisfaction.

3. **Sales of OEM products** Sales of OEM products is a part of revenue structure that contributes to additional income, which has been controlled not to have a proportion of growth than it has at present. However, it will maintain the proportion of sales spending so that it will not decrease. Since selling OEM products is considered a technical development and significantly linked to machinery knowledge, raw materials, and new product formats received from western countries, all which can be applied to product development in our country.

For sales promotion and production process development, there are strategies and operations to successfully support the main goals as follows :

- 1. Identifying the policy for production under the company brand to cover all groups, and all ages in all price levels. For the product design, we focus on not only the beauty, but also the functions for different bodies of the users. The distinctive point is that it fits the wearers' bodies perfectly. You might not realize by looking from the outside, but the inside part fits perfectly.

The production amount will be predicted from the market competitive situation, the seasons for launching new products, production power of each factory and the policy from management, which is divided into two production types as follows.

- Repetitively-produced products or basic products are the products that consumers prefer to use often, which will always be refilled. This leads to effective production prediction and planning. The production will always be the same or similar, which creates competence, higher effectiveness and more products.

- New products or fashion products are products which will always be redesigned. The patterns are harder to produce and will not be reproduced, but the product in this group will generate higher revenue from sales and gross profit.

The products under the brand trademark will be planned beforehand every year (Made to Stock) to control the production effectively and conduct the monthly production plan. The flexibility would depend on the sales volume during the year. The central production planning department will distribute the orders to factories, based on time appropriateness, product type and competency of each factory for the highest effectiveness of production.

For OEM products, the company will receive orders from customers (Made to Order). Customers will order before the real date for a specified time. Then, the central production planning department will distribute the orders to each factory, based on the production power, duration and product type, together with production under the brand trademark. If it is found that orders are more than the remaining production power, the company would not receive that order to prevent the damage which might happen to both customers and the company.

The company values quality control in every operation process, from materials quality inspection, planning before production and adjusting the patterns. During the production, there will be a quality inspection in every process, from cutting, sewing until the products are ready.

2. Product Pricing Policy is divided into two approaches, which are setting the sales price of the products under the trademark of a subsidiary (Sabina) and pricing the products under the trademark of the manufacturer (OEM). The factors affecting pricing of these two types of products are quality, quantity and market value of the products. The price of the products under the subsidiary trademark (Sabina) will be set by appropriateness for the product users and be increased based on the market value of the products, which will be in the same level of competitors in the market, so that customers can use the products as it is worth for its price. The product price of the company is considered medium, compared with the price of the same products in the market. The company does not have the policy of price competing with other manufacturers. However, there might be some discounts, based on the marketing strategy of shopping malls and each distribution point as appropriate. For OEM product price, the company will select the customers at a high level, then use the cost-plus pricing policy, in which sales price would cover the risk of foreign currency fluctuation to some extent

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and consider the gross profit from production of each product based on product type and the quantity of products that customers order.

3. Offering the products that meet the needs or exceed customers' expectations. The company has formed the product research and development team to create the lingerie innovation, in terms of new functions, in accordance with fast-changing customer behaviors and modern designs, by surveying the needs and interests of customers in each age range, studying the fashion trends and analyzing the historical sales data, in order to determine the product character, pattern and fashion to respond to customers' needs at all times. Moreover, the company knows the fashion trends from producing the products for Western and British customers, who are the leaders for fashion and lingerie. The research and development team has searched for appropriate materials and new production approaches to get the products which are in line with customers' bodies and needs. This makes the company's products modern, attractive to customers, various and appropriate for every occasion, as well as continually having product innovation. Furthermore, the company is beginning to design the products from recycled materials to be a part of resource consuming responsibility.

To get products that meet the market demand, the company surveys customers' needs by various methods, such as a focus group to survey the opinion both before and after launching the products, market survey and talking with target customers in different activities, such as campus tour, workshop, etc. The company would survey for every collection and analyze these data to develop a prototype and test with the target customers further. It takes some time to develop and test the products until the company is assured of the quality and the product that will be launched to the market.

4. Reducing the product costs. The company is always cautious about the costs, consecutively resulting in various strategies. In the past, the costs were up to 65%, but decreased to 50% now, which generates higher gross profit. The measures operated include:

- Reducing the production proportion and control OEM to be in a proper level as this kind of production requires specific materials indicated by customers, so the company must purchase materials from agreed suppliers, which means material costs cannot be reduced much.

- Increasing the production and sales proportion of products under the company brand as the price can be set higher and materials can be purchased in total or in a large amount, which affects the negotiation power for material price. This is a way to reduce material costs by not reducing the quality and helps the company to gain competitive advantages in price, which will lead to increased sales.

- Importing materials just for the needed amount for production (Just In Time) to reduce material stock and reduce the expense from financial cost is another way of reducing product cost.

- Sourcing new material source from both domestic and overseas, as well as asking the suppliers to auction for material price, is a way to increase the alternatives in terms of quality, variety and modernity of the



products. Moreover, the company will have more negotiation power, which will make material management more effective.

- Studying the innovations and techniques for some material production to reduce material costs and reduce dependency and monopoly of material suppliers, such as mold bra, which is an important material for producing lingerie. The company can produce 90% of needed mold bra (from 30% previously in 2014).

- Improving material utilization by merging the costs and purchasing department into a consumption controller department, so as to calculate material utilization correctly and adjust the changing amount in time.

These strategies lead to higher gross profit, reflecting from consecutively increased business performance since 2007. Presently, the company has 49% gross profit.

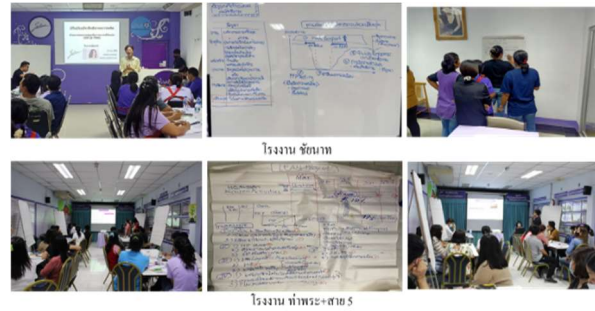
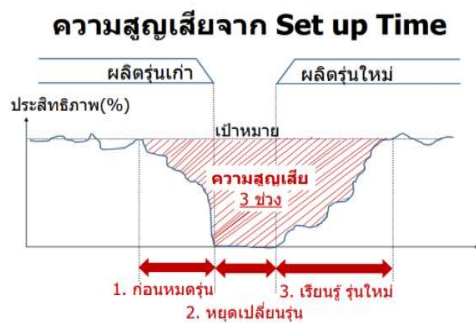
5. Improving the efficiency of employees of all levels, so that they will work effectively and have the competencies to deal with any change. The efficiency improvement is divided into three levels as follows.

5.1 Improving the skills of sewing employees to have multi-skills or work in different duties to support multi-skill-needed production, which is hard but generates high gross profit. Moreover, they would be adaptive to fast-changing work and able to work with different patterns. The company specifies a skill test for using different types of sewing machines of sewing employees (Work Passport) to use as a database and guideline to plan for employee skill improvement. The 5-year goal (until 2024) is to have multi-skill employees at 70%. The current multi-skill level of all employees in the organization increased from 2020 by 4% as per the table below.

Year	Sai 5	Tha Phra	Chainat	Buriram	Yasothon	Average
2020	60%	57%	50%	48%	61%	55%
2021	61%	58%	55%	52%	71%	59%
Increase	1%	1%	5%	4%	10%	4%

5.2 Improving the management skill of managers to apply Lean theory, by arranging the training and workshop in the topic of Finding and Eliminating Waste in Operations for Manager Level by a freelance speaker; then, finding the organization waste on-site, in order to determine the quick-win and long-term improvement plan.

Moreover, training the sewing line manager about adjusting patterns to support the designs with less amount of production, by analyzing causes of the problems to increase the effectiveness during the model change, which is divided into three phases, including analyzing phase or before-ending model phase, model break phase and new model learning phase



**Summary of the Number of Employees Attending Lean Training**

	Manager	Senior Head	Head	Staff	Total
Sai 5	2	19	8	7	36
Tha Phra	3	11	5	12	31
Chainat	5	6	9	9	29
Yasothon	9	26		4	39
Buriram	1	3		1	5
<b>Total</b>	<b>20</b>	<b>65</b>	<b>22</b>	<b>33</b>	<b>140 people</b>
<b>Accounting for</b>	<b>14%</b>	<b>46%</b>	<b>16%</b>	<b>24%</b>	<b>100%</b>

5.3 Improving the management skill and leadership of small-group-activity leaders to learn eight concepts and instruments for management as follows.

- Kaizen: It is consecutive work improvement using ECRS and enhancing it to the standard of Plan-Do-Check-Act cycle.
- 5Sor and Product Increase: It is the adaptation of 5Sor from an area maintenance tool to be 5Sor for the operation process, such as having only necessities for both amount and time, having the vision system for controlling and detecting the abnormalities of tools and machines from daily cleaning.
- Lean System: It is the understanding of value-added activities, non-value-added activities and necessary non-value-added activities, as well as not accepting any waste, including overproduction, inventory, transportation, motion, processing, delay, defect and non-utilization.
- IE for non-IE: It is the understanding of basic management tools, including standard time identification, goal determination, production planning, production competency evaluation and product increase techniques.

- QCC (Quality Control Cycle): It is the operation development or systematic problem-solving using group activities to brainstorm rationally with facts, tools and techniques (7 QC Tools) to analyze and solve the problems.
- Leadership: Encouraging and creating good relationships between each other, effective work delegation, communication with managers and subordinates as well as persuading and creating courage for the team.
- Work Happiness: Working with happiness by realizing their own values, living with the present and having life goals.
- HR for non-HR: Understanding taking care of each other, from recruitment, development, opportunity giving and retaining, based on the organization cultures – 4 good, including good thoughts, good speech, good actions and good people, without thinking that it's a specific task of anyone

The company has set a road map for organizational development as a long-term plan from 2006 to 2025, aimed at sustainability and will continue to improve according to the 7 Steps which are as follows.

	2565-2568	Total Quality Management	Sustainable Business
	2559-2564	Lean Enhancement , Problem Solving, Employee Engagement	Hight Performance Organizaon
	2556-2558	5S In Process & Empowerment	5S Enhancement
	2554-2556	Integration (5S, Kaizen, Lean, AM-PM, QCC, HRD+4D, อนุรักษ์พลังงาน)	SPM
	2551-2553	Lean System, Standing Sewing	Lean Manufacturing
	2550-2551	5S, Kaizen, Group Incentive	Participation
2549-2550		Standard time, Benchmark, Flow Process, SOP, Balance Line	Basic tools

### Step 1 Basic Tools

Is an improvement by using basic production tools, the Standard Time to determine cost, production planning, production management, and measure the ability of production.

### Step 2 Participation

Is to enhance the participation of employees within the organization, promote improvement by using 5S, Kaizen, and adjust incentive payments to Group Incentive to achieve the same goal.

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**Step 3 Lean Manufacturing**

Is an improvement to eliminate various wasteland and non-value work in the process, resulting in the proportion of Indirect employees reduced from 32% to 24% in 2019 and changing the production system from sewing to a standing sewing system in order to create a continuous flow (Continuous Flow), the number of employees / production lines reduced from 30 people to 16-18 people, which is suitable for many types of work conditions and the number / less, including the change of production from a push system (Push System) to a Pull System (Pull System) in accordance with Lean principles, which continually improve productivity.

**Step 4 Sabina Productive Management (SPM)**

It is the integration of improvement tools that are suitable for the organization, integrated into the company management system, divided into 6 pillars (5S + Kaizen, Lean, AM-PM, QCC, HRD + 4D and energy conservation) and work in the form of Cross Function Team, with working groups from all departments of the company.

**Step 5 5S Enhancement**

It is to upgrade the 5S operation from 5S to 5S in the process in order to get rid of unnecessary steps or systems, create work methods that are convenient, easy, fast, clean to check for irregularities, standardize the process, and also promote participation through the SGA supervisor, giving sub-group supervisors the power to make decisions and manage at a certain level (5S Empowerment).

**Step 6 High Performance Organization**

In order to be a highly efficient organization, the company expanded the improvements from Lean Manufacturing to Lean Enterprise, linking suppliers and customers into one chain, strengthened the business, and used QCC tools to manage chronic problems (Problem Solving) as well as develop employee engagement with the organization (Employee Engagement) who are a driving force for continual improvement.

**Step 7 Sustainable Business**

Bring management improvements to from production processes to all departments of the organization for quality management throughout the organization in accordance with Total Quality Management (TQM) principles Create an organization culture in which members focus and participate in the improvement of operations, making it able to cope with change, building competitiveness, increasing customer satisfaction that impact business opportunities, and taking responsibility towards interested parties and communities, which can create the sustainability for the business in the future.

6. Outsourcing external manufacturers to produce the finished goods more for basic products, products where machines can be used instead of humans and products that use technology and innovation for production, such as weaving technology and bonding technology by hiring manufacturers of several countries, but maintaining the standards of the products and appropriate product costs.

During the past period, the company has continually increased the proportion of outsourcing, and the competency of manufacturers will become better in the future as the company gives them advice and



cooperates in the form of alliances, so that they can produce harder products to the standards of the company, which will lead to lower costs and higher gross profit margin.

7. Exploring new business opportunities by developing and increasing the efficiency of non-store retailing to close the gap of accessing the products as some customers might not be convenient to travel. The “24/7 Strategy” is to allow customers to access the services 24 hours a day 7 days a week and support the changing product and service purchasing behaviors of customers which are changing along with the present technology. The company will expand to online platforms, digital television and catalog, which not only provides easy access to the products, but also reduces storefront expenses, decoration expenses and shopping malls or modern trade fee expenses.

8. Improving logistics: As the customer behaviors are always changing and the company would like to respond quickly, the company needs to improve product fulfillment and stock controlling in each store, in order to distribute the products to the right place in the right time and meet the needs of customers in each area, by installing POS machines to record and collect the sales data, as well as developing the sales and product amount analyzing system to manage the stock to have patterns, sizes and amounts, in accordance with the needs of customers in each area to increase sales opportunity.

Furthermore, the company focuses on online selling more, so the company needs to adjust the operations and inventory management system, as well as distributing the products concisely with less time, so that the product will be delivered to the customers on time

9. Adapting the information technology to help collect the information systematically, find the information quickly, process, analyze, and adapt IoT to use in every operation process for accuracy and speed in effective operation management, especially for management with data-driven marketing to use the data for decisions, along with using AI Learning to capture customers’ needs to offer appropriate products which meet their needs.

10. Operating the business with environmental and social responsibility and corporate governance (ESG), as well as playing a part in Sustainable Development Goals (SDGs 17)



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The company has achieved some of the Sustainable Development Goals (SDGs) through some operations as follows.

- 4. Quality Education or Fair Education: The company supported the education quality by giving 2,135 scholarships of elementary education to secondary education during 2010–2021 and supported the education of 25 male and female youths until graduating from various universities by supporting Jintana Foundation.

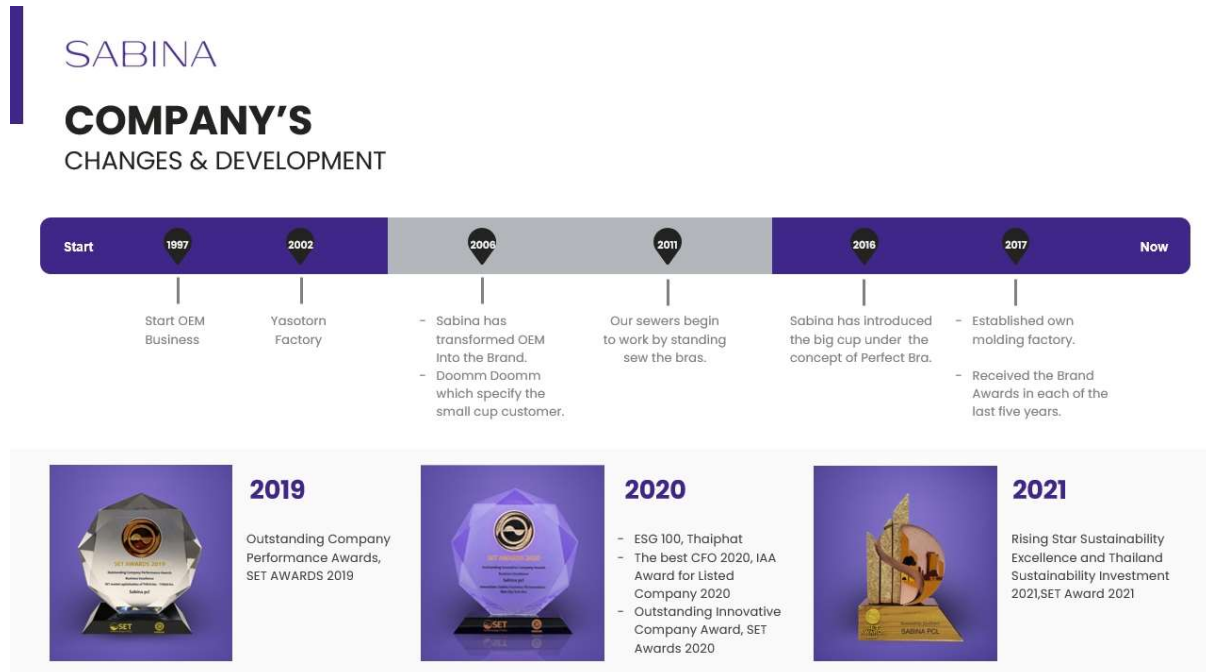
- 7. Affordable and Clean Energy: The company provides clean energy that everyone can access by changing the air-conditioning system to EVAP: Evaporative Cooling System, which is clean energy, using wind energy instead of electronic air-conditioners. This was operated in Chainat factory in 2008, Yasothon factory in 2009 and Buriram factory in 2012.

- 8. Decent Work and Economic Growth: The company applies the concept of building the factories in communities to support the laborers to have the opportunities to work in their local communities. Therefore, the company expanded the production power by opening new factories in Chainat in 1996, Yasothon in 2002 and Buriram in 2010, which created work hiring in the communities and supported the economic growth in those communities.

- 12. Responsible Consumption and Production: The company is responsible for eliminating waste from employees and production processes in the factories, by selecting the certified agency to eliminate waste, so that it will not negatively affect the communities; then, reusing the packages to reduce the usage of new packages, for the sake of effective resource usage, based on the concept 'doing more and better with less' to reduce the usage of new packages which affect the decrease in water and wood usage and become an effective use of resources.

- 13. Climate Action: The company wants to be a part of reducing greenhouse gas emissions to cooperate in limiting the temperature increase of the world to not over 2 degrees Celsius through non-store distribution, shipping, VDO conference meeting and waste management.

### 1.1.2 Significant Change and Development



1997 - A period of economic recession in Thailand called, Tom Yum Kung, was a period of great change. Due to the sudden weakening of the baht overnight from 26 baht to 45 baht, the company seek an opportunity to change direction of doing business and invest in exporting business under customer brands in England and Europe. The company had started to create a brand for quite a while before that.

2002 - The company expanded its business into Yasothorn and built its 4th factory there, which is the largest factory among its three other factories located in Tha Phra, Chainat and the Phutthamonthon 5, so as to meet the needs of increasing OEM customers.

2006 – Due to the trend of the baht appreciating at 36 baht / USD, forecast of the appreciation of 30-31 baht / USD, the cut off from the GSP privileges from Europe, and wages which are rising and causing the competition in the export of the company's products to decrease, the company changed from manufacturing for OEM to selling more brands. This means that the company will no longer benefit from OEMs, so the company has changed its strategy to focus on building more brands and reach the domestic market first.

2006 - The company started to look into the market from segmentation that no one was really interested and the company's positioning was in the production of Doomm Doomm (extra thick bra) for customers with small breast or Size A, which turned out to be a really good brand prepositioning. For the past 10 years, most people can still remember the brand Sabina and that it is number one choice for small sized women.

2011 - The company had to deal with the minimum wage that had gone up to 300 baht / day and the major flooding crisis in the country. Two-three years ago in 2011, the company adopted LEAN system that had been used to help improve production efficiency, changed the production process from sitting while sewing to standing while sewing, which could help reduce employees from 2 persons to 1 person. One production line

normally needed about 40 employees, but the company currently need only 20 people and the company has this policy that does not find replacement for employees who resign. The number of employees were decreased from 5,100 people down to around 3,900 people, resulting in employees doing less overtime. And as a result, the company was able to overcome the minimum wage crisis.

2016 - The company targeted new large-sized customers and developed products that covered customers of all sizes and was able to increase the customer base formerly focused on small-sized customers only.

2017 - The company built a mold making sponge factory to help reduce the cost of production, speed up product development and keep up with market demand.

2017 - The company received the Top Brand Award from the Faculty of Accounting, Chulalongkorn University, in the category of Fashion, for the 5th consecutive year and won the Hall of Fame, which is regarded as a Brand Award that holds value to the SABINA brand.

2019 - The company received the Outstanding Operating Award in the event the "SET Awards 2019" by the Stock Exchange of Thailand. The award was only given to the listed company that had outstanding performance based on business performance, good corporate governance, action complying with the regulations of the stock exchange Information disclosure and the quality of financial statements

2020 – Although this was year requiring a battle against the COVID-19 epidemic, the company still won various awards during this year, such as the Outstanding Innovative Company Awards from the SET Awards 2020, The Best CFO Award 2020 from the Association of Investment Analysts at the "IAA Awards for Listed Companies 2020", Asia's 200 Best Under A Billion 2020 Award by Forbes Magazine (Forbes), the "EXCELLENT CG SCORE" as an excellent level of corporate governance for the third year from the Thai Institute of Directors Association (IOD) in conjunction with the Stock Exchange of Thailand and the Office of SEC Committee, the ESG 100 for outstanding performance in environmental, social, and governance from Thaipat Institute, The Consumer Choice Award from the Shopee Brand Conference 2020, etc.

2021 - Another consecutive year for the COVID-19 epidemic, so the company focused on corporate adjustment and risk management to conform to the fast changes to maintain the continuity in production and distribution to be as normal as possible. The company adjusted both internal operations and operations with stakeholders in the supply chain to the point the company received the Rising Star Sustainability Excellence and Thailand Sustainability Investment 2021 awards for adapting to the COVID-19 epidemic well and still maintaining the operation level excellently. Another pride was that the company attended the Collective Action Coalition against Corruption (CAC) consecutively for the third year to ensure honest business operations.



During the past 3 years, the company and its subsidiaries have received various awards which can be summarized as follows:

- Year 2019**
- Sabina Public Company Limited, Yasothon Factory, received a gold medal certificate for Safety, Occupational Health and Work Environment Management from the Department of Labor Protection and Welfare on 22 April 2019.
  - Sabina Public Company Limited, Yasothon Factory, received a silver medal certificate for its campaign to reduce work related accidents to zero for 2019, for the 4th year, for 19,186,741 hours in total, from the Department of Labor Protection and Welfare on 4 July 2019.
  - Sabina Public Company Limited, Yasothon Factory received the Excellent Establishment for Health and Hygiene Promotion in the Workplace Annual Award 256-2019 from the Ministry of Public Health, Department of Health, Center 10, on 7<sup>th</sup> August 2019.
  - Sabina Public Company Limited, Yasothon Factory, received the Outstanding Establishment Award for Labor Relations and Labor Welfare (10 years and over) for the 14th year from the Department of Labor Protection and Welfare on 9<sup>th</sup> September 2019.
  - Sabina Public Company Limited, Chai Nat Factory, received the Green Industry Level 2 Award from the Ministry of Industry on 18<sup>th</sup> August 2019.
  - Sabina Public Company Limited, Chai Nat Factory, received an award in the Kaizen Suggestion System contest from Technology Promotion Association (Thailand-Japan) on 30<sup>th</sup> August 2019.
  - Sabina Public Company Limited, Chai Nat, Factory, received Bilateral Teaching and Learning Management Reward from Noen Kham Industrial and Community Education College on 19<sup>th</sup> September 2019.
  - Sabina Public Company Limited, Chai Nat Factory, received an honorary award for Promotion and Support for Employment from the Department of Employment Ministry of Labor on 17<sup>th</sup> October 2019.
  - Sabina Public Company Limited, Chai Nat Factory, received the 5th Annual Outstanding Workplace and Social Welfare Award from the Office of Social Development and Human Security in Chainat Province on 24<sup>th</sup> December 2019.

- Sabina Public Company Limited, Buriram Factory, received a certificate of honor for Safety, Occupational Health and Work Environment Management from the Department of Labor Protection and Welfare on 22<sup>nd</sup> April 2019.
- Sabina Public Company Limited, Buriram Factory, received the Green Industry Level 1 Award from the Ministry of Industry on 28<sup>th</sup> October 2019.
- Sabina Far East Company Limited, Tha Phra Factory, received the Outstanding Enterprise Award in Labor Relations and Welfare, Outstanding Labor (10 years up), the 12<sup>th</sup> year from the Department of Labor Protection and Welfare on 31<sup>st</sup> January 2019.
- Sabina Far East Company Limited, Tha Phra Factory, received the Green Industry Level 2 Award from the Ministry of Industry on 19 August 2019.
- Sabina Far East Company Limited Phutthamonthon Sai 5 Factory, received the Outstanding Establishment Award in Labor Relations and Welfare, and Outstanding Labor (10 years up), the 10th year from the Department of Labor Protection and Welfare on 9th September 2019.

**Year 2020**

- The Outstanding Innovative Company Awards from the SET Awards 2020 by the Stock Exchange of Thailand for “SABINA Seamless Fit Innovation-Non Slip Tech Bra”
- The Best CFO Award 2020 from the Association of Investment Analysts at the "IAA Awards for Listed Companies 2020"
- The Asia's 200 Best Under A Billion 2020 by Forbes Magazine - which is 1 of 19 Thai companies in the list this year.
- The EXCELLENT CG SCORE for 3 consecutive years from Thai Institute of Directors Association (IOD) in collaboration with the Stock Exchange of Thailand and the Office of the SEC Committee.
- The ESG 100 for outstanding performance in environmental, social, and governance from Thaipat Institute.
- The Consumer Choice Award from the Shopee Brand Conference 2020.
- The Top Brand Award for excellent performance from Lazada.
- The 100K FOLLOWERS for a brand with more than 100,000 followers from Lazada.

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- The FASHION Category Captain from the Lazmall Awards, Lazada.
  - Sabina Public Company Limited, Yasothon Branch, receiving the Outstanding Establishment Award for Outstanding Labor Relations and Labor Protection Welfare up to 15 years or more, 15<sup>th</sup> year on September 21, 2020.
  - Sabina Public Company Limited, Buriram Branch, awarded for the Green Industry Level 1 from the Ministry of Industry on October 28, 2020.
  - Sabina Public Company Limited, Buriram Branch, awarded for Green Industry Level 2 from the Ministry of Industry on July 29, 2020.
  - Sabina Fareast Co., Ltd., Tha Phra Factory, receiving the Outstanding Business Enterprise for Outstanding Labor Relations and Labor Welfare (10 years or more), 13th year, from the Department of Labor Protection and Welfare, February 20, 2020.
  - Sabina Fareast Co., Ltd., Tha Phra Factory, receiving the certificate of Basic TLS8001-2010 from SGS, on September 21, 2020.
  - Sabina Fareast Co., Ltd., Phutthamonthon Sai 5 Factory, receiving the Outstanding Business Enterprise Award for Outstanding Labor Relations and Labor Welfare (10 years or more), 11th year from the Department of Labor Protection and Welfare on September 28, 2020.
- Year 2021**
- The company received the Thailand Sustainability Investment award (THSI) of 2021 from Thailand Stock Exchange.
  - The company received the Rising Star Sustainability Awards from the 18th SET Awards 2021, which was held by Thailand Stock Exchange and Money and Banking Journal.
  - The company passed the certification renewal (for the third time) from the Collective Action Coalition against Corruption (CAC) on 31 March 2021.
  - The company was evaluated as “Excellent” for business operations of CG stores for the fourth consecutive year by the Thai Institute of Directors, Thailand Stock Exchange and Thailand Securities and Exchange Commission.
  - The company received the Lazada Most Valuable Brand 5.5 Campaign award from Lazada.
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- The company received the Lazada Top 9.9 Brand in Women's Fashion 2021 awards from Lazada.
  - Sabina Public Company Limited, Yasothon Factory received the platinum-level honorary certificate for collecting 24,548,081 hours of activities reducing the work accidents of 2021 for the second year, on 1 September 2021 from the Ministry of Labor.
  - Sabina Public Company Limited, Yasothon Factory received the national 16th highest honor award of excellent business organization for labor relations and welfare of 2021 from the Department of Labor Protection and Welfare.
  - Sabina Public Company Limited, Yasothon Factory received the honorary certificate as the organization attending the Good Labor from Sufficient Economy approach on 30 September 2021 from the Department of Labor Protection and Welfare.
  - Sabina Public Company Limited, Yasothon Factory received the Certificate of Drug Protection and Solving Measure in Organization on 10 August 2021 from Yasothon.
  - Sabina Public Company Limited, Chainat Factory received the certificate passing the operation based on the Measures of Organization against COVID-19 in New Normal of 2021 from the Department of Disease Control, Ministry of Public Health on 30 September 2021.
  - Sabina Public Company Limited, Chainat Factory received the certificate as Level-2 Green Industry with Green Activity, which is the activities to reduce the environmental impacts, which was done successfully as determined, from the Ministry of Industry for 2021 on 28 October 2021.
  - Sabina Public Company Limited, Chainat Factory received the Certificate of Drug Protection and Solving Measure in Organization, based on the standard, from Chainat provincial governor on 29 March 2021.
  - Sabina Fareast Co., Ltd., Phutthamonthon Sai5 Factory was the 13th Excellent Organization for Labor Relations.
  - Sabina Fareast Co., Ltd., Tha Phra Factory received the Honorary Certificate of the 14th National Excellent Organization for Labor Relations and Welfare of 2021 from the

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Ministry of Labor and the Department of Labor Protection and Welfare on Wednesday,  
22 September 2021.

- Sabina Fareast Co., Ltd., Tha Phra Factory received the Certificate of Level-2 Green Industry with Green Activity, issued on Tuesday, 7 September 2021.

**1.1.3 Identifying whether the company has used the funding as per the objectives stated in the property offerings list. The company will reveal the information.**

In 2021, the company did not raise the funds.

**1.1.4 For clarifying the commitment stated in the property offerings list.**

In 2021, the company did not have any commitments in the property offerings list.

**1.1.5 Name, headquarters location, business type, company number, telephone number, fax number, company website (if any), amount and type of all sold shares of the company.**

(The stated information could be viewed at the topic number 5, General Information and Other Significant Information, page 79)

## **1.2 The nature of business**

Sabina Public Company Limited or Sabina, a manufacturer and distributor of ladies' lingerie, top number one lingerie brand in Thailand. Sabina distributes its products nationwide through all distribution channels as its business is expanding to neighboring countries in the ASEAN Economic Community, especially CLMV (Cambodia, Laos, Myanmar and Vietnam) as well as other parts of the world. It is also a lingerie manufacturer for leading lingerie brands overseas (OEM).

Sabina lingerie products are available for all age groups, at all market prices. It is also top leader in fashion and function, well known for its beautiful exterior design, great for body functions of the wearer, and suitable for the shape of the individual target customer. Thanks to research data and market survey on product development, Sabina is able to manufacture products that meet the needs of customers with both small and large breasts and bring innovation to develop the production of high quality, comfortable and modern lingerie. The company was established on August 17, 1995, formerly known as J&D Apparel Company Limited, with initial registered capital of 1 million baht, engaged in the production and distribution of lingerie for subsidiaries and customers, who are lingerie distributors overseas (OEM - Original Equipment Manufacturer). The subsidiary company, Sabina Far East Company Limited, was established on January 11, 1977.



The Company and its subsidiaries were founded as a joint venture of the 2nd generation members of the "Thanalongkorn" family, led by Mr. Viroj Thanalongkorn, who has special expertise in the lingerie industry inherited from the 1st generation members of the family, beginning with "limited partnership Jintana "(now renamed Jintana Apparel Company Limited) engages in lingerie business under the pioneering of Mr. Chintana and Mr. Adul Thanalongkorn, the mother and father of Mr. Viroj, who is the management and major shareholder of the company.

J&D Apparel Public Company Limited changed its name to Sabina Public Company Limited on May 18, 2007. The head office is located at 177 Moo 8, Wang Kai Thuan Subdistrict, Hankha District, Chai Nat Province. And other 4 branch offices consisting are located at:

1. No. 12, Arun Amarin Road, Arun Amarin, Bangkok Noi, Bangkok
2. No. 30/5, Village No. 12, Phutthamonthon 5 Road, Rai Khing Subdistrict, Sam Phran District, Nakhon Pathom Province
3. No. 236 Village No. 10, Du Thung Subdistrict, Mueang Yasothon District, Yasothon Province
4. Number 81,106, Village No. 6, Nong Bot, Nangrong District, Buriram Province

Originally, the business of manufacturing and distributing OEM products of the company was the production and distribution for subsidiaries which received production orders from another customer. Since the subsidiary has been operating for a long time and is known to foreign customers more than domestic ones. When the company became well-known to foreign customers, it began to sell OEM products directly to customers. So the production for lingerie distributors overseas is the main revenue proportion. However, after the company changed its policies concerning reducing the proportion of OEM production and distribution since 2008, resulting in the company's main revenue proportion coming mainly from the production and distribution of products to the subsidiary under the brand "Sabina".

### 1.2.1 Income structure

Revenue from products sales under the subsidiary's trademark is the main income of the company at present. Which accounted for 90.82% and 91.63% of total revenue in 2019 and 2020, respectively, while revenue from OEM products accounted for 8.71% and 6.60 % of total revenue in 2019 and 2020

Product Lines	Operated by	Share-holding ratio %	2019		2020		2021	
			Value	%	Value	%	Value	%
Sale of subsidiary's brandname products	Sabina Fareast Co., Ltd.	99.90%	2,992.46	90.82	2,669.95	91.63	2,332.78	87.84
Sale of OEM products	Sabina Plc.	-	287.04	8.71	192.23	6.60	279.77	10.53
Incomes from provision of service and other sources <sup>1, 2</sup>	Sabina Plc.	-	15.46	0.47	51.64	1.77	43.12	1.63
<b>Total</b>			<b>3,294.96</b>	<b>100.00</b>	<b>2,913.82</b>	<b>100.00</b>	<b>2,655.67</b>	<b>100.00</b>

Note: 1. Our sources of incomes are garment production and product sewing services.  
2. Other sources of incomes are interest earning, duty refund, profit from the exchange rates, and rent out real estate.

### 1.2.2. Product Information

#### 1) Products or Services and Business Innovation Development

Products under the Sabina trademark are of high quality and fine fashion designs that are colorful and modern. They provide functions that can meet the needs of customers of all ages, and help create a good personality and boost confidence. The products can be divided into 2 main groups which are as follows:

##### 1. The products produced and sold under the trademark of subsidiaries

Products under the trademark of the subsidiary are divided which are group in each group there will be products with fashion and function products. By still focusing on products that can be worn everyday which can be divided into 2 product groups which are as follows:

(1) Underwear products, consisting of bras, underwear, camisole, revealing underwear, slimming sets, accessories for use with underwear or replace underwear such as transparent arm straps, arm straps, fashion hooks to the body length, and silicone nipple protector

(2) Products in groups other than lingerie, consisting of swimwear, exercise sets, and underwear that can be used as outerwear such as the Mad Moiselle Collection.

The company focuses on designing bra products to enhance the personality and give confidence to the wearer and meet the specific needs of customers. Nowadays, bra styles are more diverse than ever.

##### 2. The products produced under the trademark of customers who distribute the products overseas (OEM)

The company has manufactured and distributed OEM products based on the specifications that customers require. Products that are manufactured and sold partially come from the prototype that the company

and the subsidiary design. It is used to improve the design according to customer requirements and take over approximately 30% of the total OEM volume.

Customers' designers and the company's designers work closely together. Customers' designers from time to time join the company's designers, introducing the trend, color, mood and tone for each season, before starting to develop as a sample product. There is also a joint development with lace fabric vendors and also various patterns and colors with Raw Materials Suppliers as well.

### Product Grouping

The company divides the products into groups based on the target audience and place suitable pricing for each product group. There are 4 main group which are as the following.

1. Children's products
2. Teen products
3. Adult products
4. Other products

Each product group will have different outstanding points; for example, **children's products** are for 6-year-old to 14-year-old children, so the focus would be on material quality, which must not cause irritation, and must be organic without chemicals which might cause danger to children's delicate skin. Moreover, the company uses a cartoon character, Sabine, or popular patterns to communicate with children at school age, so that they can understand their changing bodies.

**Teenage products** are suitable for girls who have grown from children into teenagers. This is for high school and university girls until starting to work at the age of 15–25 years old. This group of customers is becoming women and pays attention to their appearances and colorful patterns, showing the age of cheerfulness and fun life. The focus of the products will be on variety, so that teenagers can choose for each activity, which have different requirements. Other focuses are modernity and comfort to enhance the confidence in every activity.

**Adult products** This group of products suits working women aged 25 years and over, who have their own incomes and are reasonably interested in shopping for products in term of both their usefulness and their fashionable, beautiful, and modern styles that meet different daily needs. These products focus on personality enhancement according to current lifestyles that continue to change. In 2020, the products were grouped in order to improve communication with customers in matters of uniqueness and in sponge details, which are the heart of decision making for underwear purchases, under the company's new communicate of the "Level Bra," with 4 Bra levels that allow customers to enjoy an experience of buying a new type of bra. The product uses the gimmick for the selection of 4 levels of pearl milk tea sweetness, from 0% to 100%, linked to the sponge thickness of Sabina's bra collection. The thickness ranges from 0%, 25%, 50% to 100%, according to the

needs of women, following a survey that most women tend to choose bras with different thicknesses of the sponge depending on various uses.

The sponge % level selection resembles choosing to put a topping on the underwear. This gives customers a new shopping experience that is more enjoyable. At the same time, Sabina's underwear can meet the needs of all groups of customers in a variety of collections. Regardless of their sponge thickness preference, from 0% to 100%, customers can choose underwear with their desired sponge thickness at every distribution channel, including Sabina Shops or Sabina counters in general department stores, as well as the Sabina's online channels.

For the level of underwear, it is divided into **Level 1: 0% bubbles: "Not filled, but with a beautiful shape"** -a group of underwear products with a sponge thickness from 0.5 - 1.0 cm, as a thin level sponge. However, with Sabina's sewing techniques, the breast will look beautiful and natural even without extra sponge. These levels include products from the Pretty Perfect, Mad Moiselle, Maggie Mae, Perfect Bra, and Function Bra collections.

**Level 2: 25% bubbles: "Lightly filled, but stable"** is a group of underwear products with a sponge thickness ranging from 1.5-2.0 cm for shaping the breast to look beautiful, including the Signature and Soft collections.

**Level 3: 50% bubbles: "Moderately filled, with just enough push"** is a group of underwear products that contains sponge thickness from 2.3-3.0 cm, a medium level sponge to push the shape for a more dimensional look, including the Modern V and Soft Doomm collections.

**Level 4: 100% bubbles: "Accentuated fill for prominent slopes"** is a group of underwear products with a sponge thickness of 3.5 cm and up, to help clearly increase the cup size of the breast and the visibility of its slopes, for which its products will be in the Doomm Doomm collection.

Communicating the subject of sponge levels under the 'Bra Level' campaign makes it easier for customers to shop and meet their needs in different occasions, either during a vacation, a work day, or a day with special activities. Sabina has used various channels of communication to re-create a viral phenomenon in the online world by choosing "Bai Fern - Pimchanok. Luewisetphaibun" to represent a woman with a variety of activities. The company has launched the clip, **"How many milk bubbles will you select?"** that links with the selection of sweetness of milk tea to directly reach target customers.

In 2021, the company emphasized the importance of the sponge again by launching the campaign "Sabina, Good Sponge." Although the bras are small, "Sponges" of the bra are not a small matter. "Sponge" is considered as an important factor for women's bra production as it is an important part to protect the delicate chest of women and also touches the skin the most. Therefore, Sabina values this small detail to develop the best innovation of bra sponges. The company tested the efficiency of the sponge by pressing it with the bike, but the sponge is still get back into the same shape because the materials were specifically selected and

developed by the expertise of bra, so that the sponge quality would be better than normal sponge in terms of both good shape and soft touch, which are the qualities that many people might oversee, but Sabina has always been devoted to developing it.

- Good shape: The sponge can bear the pressure well. It will not be broken and return to the same shape after pressing, with the innovation of adding extra internal sheets, so the sponge will be in shape. We all know that in the girls' closets, these bras might be pressed, which sometimes cause the bra to lose its shape. Therefore, we develop the bra to be able to return to the beautiful shape even though it is pressed in any situation To assure customers, Sabina tested by pressing the sponge bra with a bike and found that Sabina sponge can get back to the beautiful normal shape. Hence, the Sabina Sponge Bra is undeniably the solution of "worthiness" for bra purchases of women.

- Soft Touch: We specially select the premium sponge material to get the soft touch when worn, which comes with good flow of air ventilation, suitable for the humid and hot weather of Thailand. This bra is comfortable and soft when worn, dries fast when washed, and gives you no worries about fug. Importantly, Sabina Good Sponge also helps extend the bra's usage life. Sabina Good Sponge comes in four levels to choose, from super thin to thick sponge.

#### Other Products

1. Everyday Wear group or products that can be worn daily consist of the following products:
  - Sbn Sport products are sports underwear especially for women who need agility, they are comfortable and semi-sporty, perfect for playing sports.
  - Soft Collection products are products to which the innovation of Seamless Fit production is applied. They are smooth, comfortable, in beautiful shape, focused especially on seamless comfort.
2. Specific products such as maternity products for breastfeeding mothers consist of bra and panty, belly support and fill up bra which are bras mostly used by patients who have their breasts cut. We also provide bras with a bag for breast implants.
3. Happy Price products are cheap products produced specifically For Modern Trade stores.

## 2) Marketing and Competition

for marketing strategy Focus on more specific marketing by researching the needs of customers in each group in order to develop products to suit each target group, focusing on Personalized Marketing rather than Mass Marketing, focusing on Data-Driven Marketing based on data It is the main base for making decisions in every activity in accordance with The company's mission

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## 2.1 Marketing Strategy

- **New Lingerie Innovation Development**

Due to the needs and physiology of consumers constantly changing, the company Therefore giving importance to research and development (new products) Continuous By analyzing the behavior of consumers as to what needs And conducting customer surveys via online media to use the information obtained to develop products in accordance with the needs and changes of customer behavior In terms of function and fashion of underwear, for example, in the past, research showed that most Thai women had relatively small breasts. Therefore, leading to the development of the "Doomm Series" collection to enhance the confidence of wearing lingerie for consumers. And after Sabina succeeded in the small breast bra market Have conducted additional research to find that There are still customers with large breasts. It is a small base for Thailand. In 2015, the company started to capture this group of customers. And develop products to support the good response Made last year the customer base is constantly growing. Therefore, concluded that the products of the company are able to meet customers' needs, whether they are breast or small. With the same answer is Good lingerie production Comfortable to wear as customers want.

While production for sale under the brand of customers from European countries Making the company know how to apply new sewing techniques and applying to become a member of the WGSN, which is the website that the world's leading garment manufacturing companies have used widely for a long time Enabling the company to be aware of the Global Trend Fashion in the future that will occur up to 24 months in advance and can produce products that bring up-to-date fashion that meets the customer's popularity more precisely, while maintaining high quality at a reasonable price, worthwhile for consumers.

- **Customer Base Expansion to Overseas**

The company has a policy of expanding the business by importing the products under the trademark of the subsidiary or SABINA to expand the market overseas more, focusing on the Asia Pacific area first as the bodies and tastes are not much different from Thai people, which makes it easy for marketing communication. The company will focus on appointing the dealers to distribute the products in other countries. As of now, this has already been operated in many countries, such as Vietnam, Laos, Cambodia, Myanmar, and the Philippines. The company still has a goal of expanding SABINA to be well known among the ASEAN market and foreign consumers to set the path to bring "SABINA" to be a regional brand.



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### Consecutive New Product Presentation

The company also plans to sell the products with new innovation consecutively, in order to respond to the needs of customers, which have changed from period to period. The example of such products is a new product called Soft Collection, which focuses on seamless woven fabric, which gives high flexibility and soft touch fabric. Moreover, the company will import the copyright products, which are popular among customers, such as domestic and foreign copyright patterns, which are popular at the time, to design the products for target customers of that design. In 2021, SABINA launched the collection of SABINA x Esther Bunny, capturing the pink bunny that was popular among Korean girls and became popular across Asia. Esther Bunny was created by Esther Kim, a Korean-American artist. This collaboration was the first time for Thailand to bring this cute Esther Bunny character to feature on a bra collection named SABINA x Esther. The target customers were 18-year-old girls to working-age women, who were fun with dressing, liked to mix and match clothes and liked to wear lingerie as external clothes.



### Maintaining the Sales of Existing Customers and Finding New Customers

The company is determined to maintain the satisfaction of existing customers mainly, by realizing the importance of maintaining good relationships with every customer, which would help maintain the sales level and existing customers' support, so that these customers will repurchase and recommend the products to others. The company has collected the recommendations from existing customers to improve the operations and make it effective by focusing on quality production that responds to the needs of customers, in terms of beautiful designs, standardized quality and timely services, in order to maintain the production and sales of SABINA as per the goals. Moreover, the company highlights expanding the customer base both domestically and internationally by developing the products for specific channels more to respond to the different needs of customers.

Meanwhile, the company has improved the channels to access the products to meet with customers' behaviors as the customers do not stick with any sole channel nowadays, rather they prefer to choose the purchasing channels based on their needs at the time, which could be online channels to reduce exposure and

access the products to repurchase immediately or purchasing in shopping malls to try on the products. The company highlights the fast access service, such as:

## 2.2 Distribution and Distribution Channels

- **Distribution under the Trademark of the Subsidiary**

The company distributes the products under the trademark of the domestic subsidiary, which is categorized into two categories including:

1. **In-store Distribution in Shopping Malls:** There are 543 shops in total all over the country, including the self-owned shops of the company. This form of distribution is mostly consignment by having the sales representatives at the sales point recommend the products and provide services to customers for agility and easy access for customers. Furthermore, the company also has distribution points under the trademark of the company in five countries – Myanmar, Vietnam, Cambodia, Laos and the Philippines – through the dealers and have more than 100 distribution points in shopping malls.



Store	2019	2020	Q4 2021	Dif
Department Store	83	83	83	-
Modern Trade	308	312	294	-18
DTC (SPC+SHOP)	106	102	93	-9
TT (Traditional Trade)	88	81	71	-10
Total	585	578	541	-37

2. **Non-store Distribution** includes online channels, catalog, TV shopping and automatic machines to increase the agility for distribution. The service can be provided to customers anytime, anywhere, highlighting the services, clarity and variety for customers to choose based on their needs. This channel fulfill the customer accessing channel as some customers are not convenient to visit the stores.

- **OEM Distribution**

The company receives the orders to produce the products which are designed by the company, subsidiary or customers themselves. Most customers are well-known customers, who have their own brand sold in shopping malls, retail stores, wholesale stores, importers, dealers, online and catalog business owners, including those who created the whole new business and those who changed from direct catalog business in Europe and Britain. Most customers are in a long relationship with the

company. The company will produce the products based on customers' orders. OEM covers production for products in Thailand and international products, which could be clothes and other things that can use the delicate machines of lingerie for production, such as t-shirts, polo shirts, masks, scarves or other clothes.

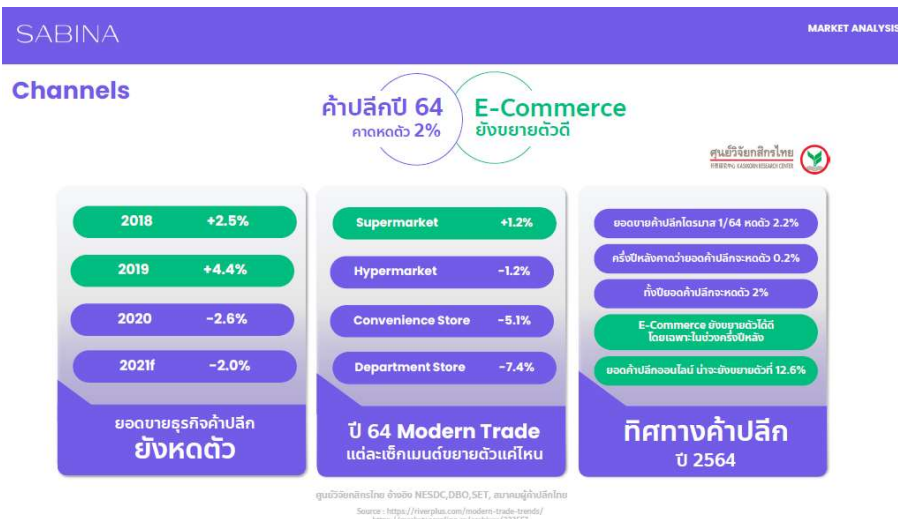
#### **Sales Promotional Policy**

The company focuses on providing products and services to suit each group of customers who have different needs, without focusing on all kinds of products in every shop, but the insights to tailored product varies for customers who obtain services in the stores, as well as through various marketing communications directly to target groups, with lower mass media.

With marketing communication plans, the company has a set of customer groups, starting from product development. This is so that products and media can be easily and appropriately accessible to customer groups. Also, the company adapts current events to the marketing communication through up-to-date means to reach customers easily and promptly. It emphasizes the principles to plan on providing services through omni-channel or multiple communication and customer service channels that can be linked to one another, both offline and online. This helps in collecting all customer information for easy and quick access to customer information, and grants the ability to correctly design the Customer Journey or route of the customer decision-making process for further product and service improvement.

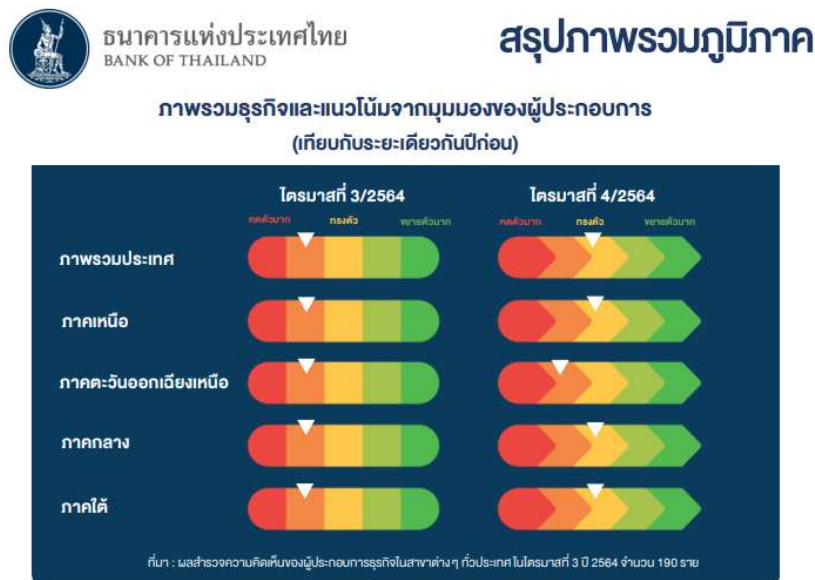
#### **2.3 Industry and Competition Condition**

Most sales proportion of the company still comes from in-store distribution, which is directly affected by retailing area conditions mainly. During 2020–2021, there were very few new retailing areas, compared with the same period of the previous years, which might be the impact of the COVID-19 epidemic. Moreover, the existing areas were closed during some periods due to the government's policy to restrict domestic and overseas travel, limit the opening and closing time for businesses, and closing the unnecessary product selling areas and some areas in shopping malls. Although the government released some measures to support purchasing power, it was effective only in a short period.



From the above figure, according to Kasikorn Thai Research Center, it was found that retail growth in 2021 still shrank by 2% with high impacts on products in shopping malls. The company has adjusted the operation and marketing strategy to meet with the changing condition of the present living of consumers, by analyzing deeply each area as they have different limitations and epidemic situations.

From the data of the Bank of Thailand, for the overall business and tendency, the entrepreneurs viewed that the overall situation of this business is likely to be better in the fourth quarter and is expected to be better next year. Given that the number of vaccine access and government measures generate positive outcomes, the overall retailing business would certainly get better.



Information source: [https://www.bot.or.th/Thai/MonetaryPolicy/EconomicConditions/BLP/BLP\\_TH\\_Q3\\_2021\\_a3raqrb.pdf](https://www.bot.or.th/Thai/MonetaryPolicy/EconomicConditions/BLP/BLP_TH_Q3_2021_a3raqrb.pdf)

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## Domestic Competition

The domestic underwear market is a highly competitive market at all price levels. Many entrepreneurs in the underwear industry are mostly purchase copyrighted brands from abroad. In addition, many small entrepreneurs lacking trademarks produce locally and import from abroad to support the consumer market that considers price to be an important product purchase selection factor.

Since 2020, the Thai economy has been sluggish. The overall underwear market from the view of general storefronts and modern retail stores has recorded less growth due to the COVID-19 epidemic, which limited and decelerated consumers purchasing power due to the economic crisis. For the online, there is more and more bustling trading. Therefore, the overall underwear market is still expected for the growth, such as in general shops, modern retail stores, and the company's own shops, including the sales through online and other new channels.

In addition to the competition between domestic manufacturers, there is also a competition among the leading underwear manufacturers from abroad, such as France, the United States, etc. that came into the top-level consumer market share. For the consumer market that mainly considers price, there is more competition from the non-branded underwear with economical prices, especially from the online channel. However, the quality is still inferior to the branded products. Early 2020, due to the epidemic of COVID-19 outbreak, could be the opportunity for the company to expand the customer base, since small entrepreneurs with imported products are unable to continue importing activities following the closure of international routes, and the cautious practice of purchase investments in readymade products. Since the past year, this has become the opportunity for the company to have more special sales channels and expand more customer bases for product distribution to end customers.

In 2021, the competition did not seem to change much, but it was found that the competition is moving to be more serious in online marketing.

### ● Competitive Capability

For the market condition with free competition both domestically and internationally, the lingerie manufacturers and distributors need to maintain the competitive capability all the time. The details of the competitive capability of the company compared with domestic and international competitors are as follows.

#### (1) Product Quality

The company focuses on product quality control based on the standards, starting from material selection to be in accordance with OEKO-TEX Standard 100 for both products under the company's trademark and OEM products to assure the customers about the product as lingerie is the product that touches the skin directly. Moreover, the company also takes customers' needs as the main consideration for product design and improvement to always respond to the needs of customers. The company always takes

customers' recommendations to develop the products into new innovations, which are launched to the market every year. In 2021, the company began to use environmentally friendly materials to meet with the missions of the company in terms of sustainable products.

## **(2) Production and Service Skills Improvement**

The company has continuously developed skilled workers, especially sewing workers, through 2 types of training as follows:

Re Skill is a training to learn new skills of the same routine to increase efficiency or reduce costs in the working process through more than 10 years of Kaizen activities.

Up Skill is to develop existing skills to for more proficiency. This is so that workers can have greater ability in multiple skills, especially in the production line, in which the Working Passport visualizes the ability of the sewing workers for supervisors. Also, it aims to continuously make production planning for workers and improve their skills in using all types of industrial machines, etc.

In 2021, the company has expanded the success of labor skills improvement from production line to services, highlighting the service access. The company began by increasing the convenient communication channel for the service team, so that customers could access services conveniently. The channels are as follows.

- Every store with sales representatives
- Line Official: @SabinaThailand
- Call Center: 02 422 9430
- E-mail: [crm@sabina.co.th](mailto:crm@sabina.co.th)
- Facebook Inbox: Sabina Thailand

## **(3) Factory Management and Employee Preparation System**

After successfully applying Lean Manufacturing Systems to improve the management system in the factory until receiving the award from the Thai-Nichi Institute of Technology. The company also bring in the KAIZEN system of Japan to manage as well and still find management tools to help manage the factory such as QCC system or Quality Circle Control, TPM system or Total Productive Maintenance (productive maintenance that everyone participates) etc. These help strengthen the management in the factory in order to increase production efficiency and reduce loss

In 2021, the company has set the goals and missions to be a lean enterprise by 2027.

## **(4) Learning Organization**

The company promotes itself to be a learning organization, with mergers and acquisitions of working together as a single unit to make the best use of resources while reducing the amount of work transfer, as well as ensuring the accuracy in the work process. The company also increases the speed of work, focusing on the



use of agile management principles, a process that enhances working speed by reducing processes and paperwork. Additionally, there is a more focus on team communication to speed up the joint development of products for testing and feedbacks to return for improvement. This enables faster product development to meet the needs of more customers through the idea of Design Thinking, which is applied in every work process.

### 3) Products and Services Sourcing

#### Products and Materials Sourcing

##### 3.1 Materials Sourcing

Raw materials used in the production can be divided into 3 main types: main raw materials, decorative products, and packaging materials. The main raw materials consist of cloth, rubber, and sponge. Decorative accessories depend on the product styles and OEM's customer requirements, such as hooks, embellishments, loops, straps, thread, string, etc. Packaging materials include hangers, boxes, straps, plastic bags, etc. The proportion of main raw materials is shown in the table below:

Year	Percentage of main raw materials
2019	82.0
2020	88.0
2021	88.4

The company and its subsidiaries do not have a policy to purchase raw materials to stock in advance, which affects the cost of storing raw materials. Therefore, to prevent raw materials shortages and price fluctuations, including control of raw materials to meet quality standards and schedule on-time delivery, especially for fabric which is the main raw material for all types of products with a high quantity of use in production, the company therefore makes long-term future purchase contracts to reserve the capacity of raw material production with suppliers and make plans for usual purchase orders through long-term relationships.

For a variety of rubber, which is another main raw material as a component of all types of products, the company thus collaborates with suppliers to design raw materials that suit each customer and reduces production costs.

In addition, sponge is the other main raw material. There are two types of sponges, including unmolded sponges that are ordered from domestic manufacturers, and molded sponges (bubble mold) as key materials in any designs of underwear, both without bubble filling (0% bubble level), light filling (25% bubble level), perfect filling (50% bubble level), and highly filling (100% bubble level). The molded sponges are designed from the company's research and development female body. Therefore, to prevent the disclosure of design information, the company then installed a machine for bubble pumping for the production by itself, which afterwards results in a reduction of production costs. In 2021, the proportion of molded sponge production was 84% of all products with sponges

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**Value of purchase of raw materials classified by types of the company and subsidiaries**










Unit: Million Baht	2019		2020		2021	
	Value	%	Value	%	Value	%
Main raw material	623.05	82.02	364.70	79.74	367.72	82.02
Decorative products	83.69	11.02	48.68	10.64	46.56	10.39
Packaging materials	52.93	6.97	44.01	9.62	34.04	7.59
<b>Total</b>	<b>759.66</b>	<b>100.00</b>	<b>457.39</b>	<b>100.00</b>	<b>448.32</b>	<b>100.00</b>

The company and its subsidiaries purchase various types of raw materials from more than 200 suppliers, with the proportion of purchase with the top 10 suppliers as shown in the table below

Year	Percentage of purchase with the top 10 suppliers
2019	59.25
2020	56.36
2021	60.60

There is no supplier of raw materials that accounts for more than 15% of the total raw material purchase. In the event that the company and its subsidiaries need new raw materials that have never been used in production, a tender shall be arranged by the procurement department, with considerations from the urgency of the assembly line in the procurement of raw material suppliers.

In the meantime, the company and its subsidiaries purchase raw materials from abroad. The proportion is approximately 30% when compared to the total purchase value of main raw materials each year. The purchase orders are from Hong Kong, Korea, China, Taiwan, etc

Value Purchase of Raw Materials		2019		2020		2021	
Unit : Million Baht		Value	%	Value	%	Value	%
Domestic		494.43	79.4%	294.36	80.7%	260.07	70.73
Foreign							
Hongkong		22.94	3.7%	10.94	3.0%	19.60	5.33
Korea		13.12	2.1%	4.74	1.3%	3.26	0.89
China		49.49	7.9%	32.84	9.0%	40.74	11.08
Taiwan		23.65	3.8%	11.51	3.2%	9.11	2.48
Italy		5.11	0.8%	1.04	0.3%	4.29	1.17
Switzerland		0.01	0.0%				
England						9.02	2.45
Indonesia		3.73	0.6%	3.66	1.0%	6.85	1.86
Other		10.56	1.6%	5.60	1.5%	14.78	4.02
Total foreign		128.61	20.6%	70.34	19.3%	107.65	29.27
Total Value Purchase of Raw Materials		623.05	100.0%	364.70	100.0%	367.72	100.0%

### 3.2 Product procurement

The marketing operations to spread the company's brand lead to the widely known and highly appreciated by customers. This forces the company to provide products in supporting the significant sales growth. The company has then changed the policy to supply all products from its own manufacturing and hired manufacturing.

● **Self-produced Material Sourcing**

Currently, the company has 3 factories located in the provinces of Chai Nat, Yasothon, and Buri Ram. The company has a production capacity of 5.27 million pieces per year. Meanwhile, the subsidiaries have 2 factories located in Bangkok and Nakhon Pathom province, with a production capacity of 1.75 million pieces per year. The total production capacity is 7.02 million pieces per year. This production capacity can be increased by approximately 20% from overtime work.

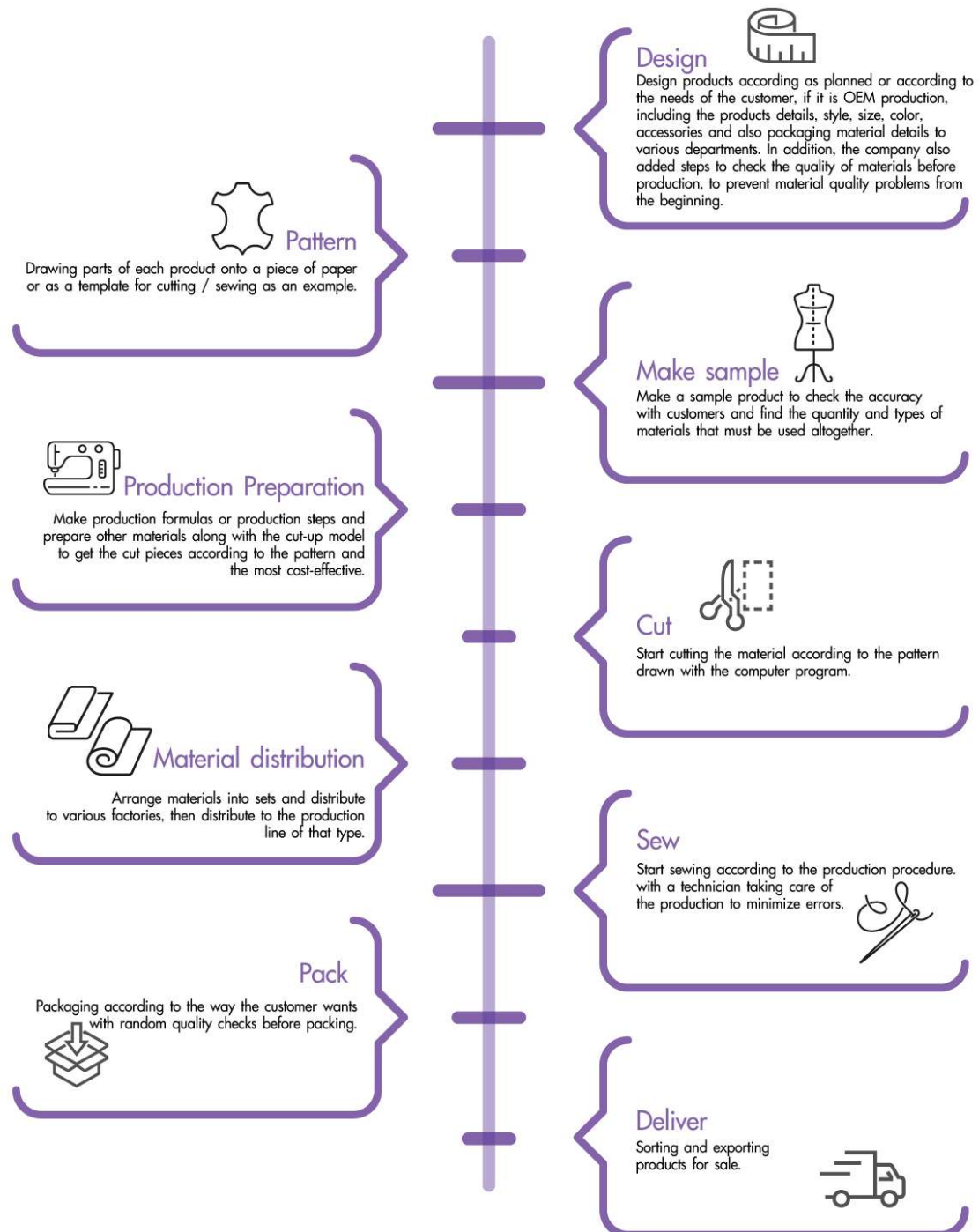
The production capacity of each factory is as follows:

Unit: Million pcs./year *	2019	2020	2021
<b>Phuttamonthon Sai5 Factory</b>			
Maximum Capacity **	1.67	1.91	0.74
Actual Production Volume	1.54	1.93	0.74
Effective Capacity(%)	92.49	100.95	99.57
<b>Thapra Factory</b>			
Maximum Capacity **	1.76	1.90	1.01
Actual Production Volume	1.77	1.82	0.93
Effective Capacity(%)	100.38	96.10	92.19
<b>Chainat Factory</b>			
Maximum Capacity **	2.61	2.29	1.63
Actual Production Volume	2.45	2.29	1.63
Effective Capacity(%)	93.96	99.88	100.44
<b>Yasothon Factory</b>			
Maximum Capacity **	4.60	6.78	2.76
Actual Production Volume	4.27	6.61	2.78
Effective Capacity(%)	93.00	97.49	100.81
<b>Buriram Factory</b>			
Maximum Capacity **	1.84	1.95	0.87
Actual Production Volume	1.71	1.84	0.83
Effective Capacity(%)	92.84	94.50	95.32
<b>Total</b>			
Maximum Capacity **	12.47	14.83	7.02
Actual Production Volume	11.74	14.49	6.91
Effective Capacity(%)	94.15	97.71	98.55

\*\* The maximum capacity is equal to the number of products that are the ultimate goal. Not the highest capacity that can be achieved

The company production process, starting from design process to delivery, is as follows:

## Manufacturing Processes



The company has strict control measures for production by establishing a quality control system which starts from creating preparedness before production (pre-production meeting), providing an initial example to verify understanding, quality control during production to prevent production errors (QC In Line), and post-production QC (End Control 100%) before delivering to customers. Also, random inspections are carried out to assure the quality that meets standards and in accordance with production orders. Additionally, the quality inspection agency from the head office has been assigned to randomly inspect the products after production (as a representative of customers).

The company also has quality control measures by promoting the sewing skill and training for sewing workers on quality standards and basic machinery care skills to reduce the rate of production errors. Following the previous inspection, it was found that the non-standard products before packing and distributing to customers equal only 0.5 percent of all products.

- **External Hiring Material Sourcing**

Following the types of products that change according to popularity, especially the underwear that is smooth, seamless, and stitch mark-free, by using the technology for weaving, bonding, and free-cut techniques, as well as a variety of products and cost reduction, has caused the company to have a procurement policy for more products from hired manufacturing. In this regard, the company has recruited manufacturers with modern machines and systems for good operations, and then inspected their factories and systems before making production orders. In the meantime, those manufacturers have to follow the procedures according to quality standards during production. They are also required to periodically send the production sample, inline sample, and final sample for inspection by the assigned company before delivering the products with quality and confidence.

In order to ensure the appropriate procurement of products from its own manufacturing and hired manufacturing, the company determines the proportion based on the suitable level of finished products and sales figures, with periodic verification



#### 4) Assets for Business Operations

##### 4.1 The main fixed assets of the company and subsidiary

The Company and its subsidiary have main fixed assets used in business operations as follows

Asset type	Proprietary characteristics	Net book value (THB Mil.) as of			Obligation
		Dec 31,2019	Dec 31,2020	Dec 31,2021	
<b>Land</b>					
<u>Company</u>					
- 2 plots of land title deeds, located at Wang Kai Thuean Subdistrict, Hankha District, Chainart. Total area of 7 rai, 2 ngan, 28 square wa is the factory location.	Possess	1.00	1.00	1.00	Land and buildings on the land are mortgaged as collateral for loans from Bank of Ayudhya, amount of 100 million baht.
- 1 plot of land title deeds, located at Wang Kai Thuean Subdistrict, Hankha District, Chainat, land size 8 rai, 1 ngan 56 square wa is a factory and office location.	Possess	6.13	6.13	6.13	
- 2 plots of land title deeds, located at Du Thung Subdistrict, Muang District, Yasothon. Total area of 53 rai 2 ngan, 98 square wa is a factory and office location.	Possess	10.29	10.29	10.29	Land and buildings on the land are mortgaged as collateral for loans from Kasikorn Bank, amount 129.78 million baht.
<u>Subsidiary</u>					
- 2 plots of land title deed number, located at 93/23, Soi Rom Sai, Petchkasem Road, Wat Tha Phra Subdistrict, Bangkok Yai District, Bangkok. Total area of 138 square wa is the factory location.	Possess	1.72	1.72	1.72	None
- 3 plots of land title deed number No. 7611,7612,7613 Located at 93/8 Soi Petchkasem 7 Phetkasem Road, Wat Tha Phra Subdistrict, Bangkok Yai District, Bangkok.	Possess	9.95	9.95	9.95	None

Asset type	Proprietary characteristics	Net book value (THB Mil.) as of			Obligation
		Dec 31,2019	Dec 31,2020	Dec 31,2021	
Total area of 2 ngan, 37 square wa is the factory location.	Possess	7.94	7.94	7.94	None
- 2 plots of land title deed No. 12037,12778 located at 93/47 Soi Petchkasem 7, Phetkasem Road, Wat Tha Phra Subdistrict, Bangkok Yai District, Bangkok, total area of 1, 89 square wa is the factory location.					
- T2 plots of land title deed number 12, Arun Amarin Road, Arun Amarin Subdistrict, Bangkok Noi District, Bangkok, total area of 2 ngan, 17 square wa is the office location.	Possess	7.96	7.96	7.96	Land and buildings on the land are mortgaged as collateral with Bank of Ayudhya, amount of 200 million baht.
- 1 plot of land title deed, no. 9378 Located at 30/11 Moo 12, Putthamonthon Sai 5 Road, Rai Khing Subdistrict, Sam Phran District, Nakhon Pathom, total area of 11 rai, 2 ngan, 35 square wa is the office and factory location.	Possess	52.10	52.10	52.10	
- 1 plot of land title deed, no. 20329, located at 30/5 Moo 12, Putthamonthon Sai 5 Road, Rai Khing Subdistrict, Sam Phran District, Nakhon Pathom, total area 4 rai, 1 ngan, 87 square wa is the office and factory location.	Possess	21.92	21.92	21.92	Land and buildings on the land are mortgaged as collateral for loans from Kasikorn Bank, amount 191.86 million baht.

Asset type	Proprietary characteristics	Net book value (THB Mil.) as of			Obligation
		Dec 31,2019	Dec 31,2020	Dec 31,2021	
<b>Building</b>					
<u>Company</u>					
- Factory location, Du Thung Subdistrict, Muang District, Yasothon.	Possess	24.70	18.78	12.76	Mortgage with land as collateral for the loan with Kasikorn Bank, amount 129.78 million baht.
- Factory location, Wang Kai Thuean Subdistrict, Hankha District, Chainart.	Possess	2.14	1.92	1.70	Mortgage with the land as collateral for the loan with Bank of Ayudhya, amount of 100 million baht.
- Factory location Nong Bot Subdistrict, Nang Rong District, Buriram		1.20	1.09	0.98	None
<u>Subsidiary</u>					
- 2 storey warehouse building and sewing building and 4 storey office at Phutthamonthon Sai 5 Road, Rai Khing Subdistrict, Sam Phran District, Nakhon Pathom	Possess	25.21	22.11	19.02	Mortgage with land as collateral with Kasikorn Bank, amount of 191.86 million baht.
- Office Location, Arun Amarin Road Arun Amarin Subdistrict, Bangkok Noi District, Bangkok.	Possess	9.64	8.48	7.32	Mortgage with the land as collateral with Bank of Ayudhya, amount of 200 million baht.
- Building 93/23, Wat Tha Phra Subdistrict, Bangkok Yai District, Bangkok.	Possess	6.86	6.28	5.71	None
- Building 93/8 Soi Phetkasem 7, Petchkasem Road, Wat Tha Phra Subdistrict, Bangkok Yai District, Bangkok	Possess	0.76	0.65	0.55	None

Asset type	Proprietary characteristics	Net book value (THB Mil.) as of			Obligation
		Dec 31,2019	Dec 31,2020	Dec 31,2021	
- Building 93/47, Petchkasem Soi 7, Petchkasem Road, Wat Tha Phra Subdistrict, Bangkok Yai District, Bangkok	Possess	1.55	1.33	1.11	None
<b>Machinery and equipment</b>					
<u>Company</u>					
Office equipment	Possess	0.85	0.64	0.37	None
Decoration and installation	Possess	1.02	0.77	0.49	None
Cutting, sewing, textile Machines and other assets.	Possess	24.14	19.35	15.71	None
<u>Subsidiary</u>					
Office equipment	Possess	5.98	11.99	9.33	None
Decoration and installation	Possess	27.12	28.77	24.71	None
Mold stamping machines, cutting, sewing, fabric inspection machines and other assets.	Possess	28.64	21.00	20.30	None
<b>Construction in progress, assets under installation</b>					
<u>Company</u>					
Construction in progress	Possess	-	-	-	None
Assets under installation	Possess	-	-	-	None
<u>Subsidiary</u>					
Assets under installation <sup>1</sup> *	Possess	3.24	2.35	3.64	None
<b>Intangible assets</b>					
<u>Company</u>					
Computer programs and software	Possess	-	-	-	None
Program during installation	Possess	1.04	2.32	2.41	None
<u>Subsidiary</u>					
Computer programs	Possess	6.65	7.21	10.57	None
Program during installation	Possess	1.05	4.00	2.94	None
Deferred leasehold rights	Possess	8.67	5.14	2.12	None

The book value of the main fixed assets used in the business of the company and subsidiary, details are as follows

Unit : THB Mil.

Asset type	Cost according to financial statements as of			Lifetime (year)	Net book value as of		
	Dec 31, 19	Dec 31, 20	Dec 31, 21		Dec 31, 19	Dec 31, 20	Dec 31, 21
Land	119.01	119.01	119.01	-	119.01	119.01	119.01
Buildings and improvements	335.08	335.16	335.17	20	72.06	60.64	49.16
Machines	302.56	302.89	299.28	10	39.59	31.90	26.00
Tools and equipment	16.46	16.77	16.85	5	2.96	2.30	1.59
Decoration and installation	167.92	181.41	187.26	5	28.15	29.54	25.20
office supplies	58.92	67.38	67.61	5	6.83	12.63	9.70
vehicle	26.13	21.69	22.81	5	0.82	0.48	1.06
Program installation fee and computer programs	35.50	41.46	45.11	3	8.69	13.53	15.92
Other assets	0.96	0.96	0.96	5	0.03	0.02	0.01
Computers and devices	54.95	57.74	61.84	3	9.40	8.64	8.25
Construction in progress	-	-	-	-	-	-	-
Assets under installation	3.24	2.35	3.64	-	3.24	2.35	3.64
Deferred leasehold rights	73.97	74.28	74.44	-	8.67	5.14	2.12
<b>Total</b>	<b>1,194.70</b>	<b>1,221.10</b>	<b>80.67</b>		<b>299.45</b>	<b>286.18</b>	<b>39.68</b>

#### 5) Undelivered Tasks

- None -

### 1.3 Shareholding Structure of the Company Group

#### 1.3.1 Shareholding Structure of the Company Group

##### 1) Operation Division Policy of the Company Group

#### The Company

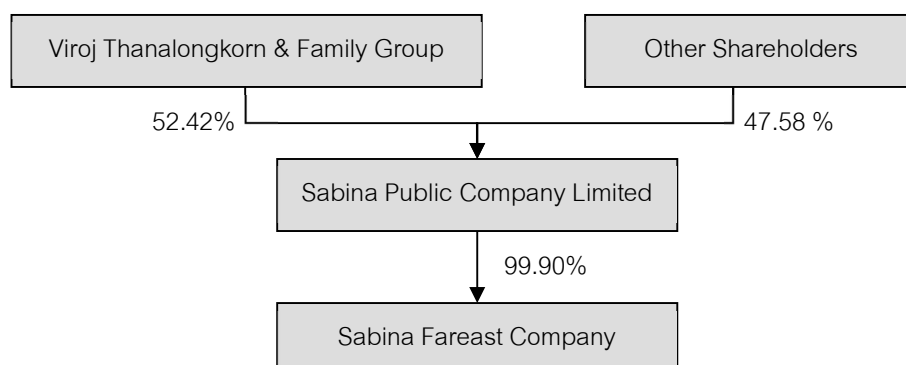
Acting in the business of producing and selling underwear for subsidiaries and customers who are foreign lingerie suppliers (OEM or Original Equipment Manufacturer) Originally, the business of manufacturing and selling OEM products of the company is the production and distribution for subsidiaries which received production orders from another customer because the subsidiary has been operating for a long time and more well known to customer abroad. When the company started to get some recognition in the group of customers abroad then started selling more OEM products directly to customers without passing through subsidiaries.

#### The Subsidiary

Acting in the design, manufacture and distribution of women underwear under the brand "Sabina" Including produce by the order from customer who is using their own brand or OEM (Original Equipment Manufacturer) and act as company distribute women underwear under the brand "Sabina" to department store, shopping centers and modern trades fair both domestic and international. Including sales through new distribution channels such as TV Shopping, Website and Company's Application and other Websites.

## 2) Shareholding Structure Figure of the Company Group

### Shareholding Structure of the Company Group



### Sabina Public Company Limited

Operate lingerie manufacturing & sales business for subsidiary and customers who are lingerie suppliers in foreign countries (OEM) Currently, there are 3 factories located in Chainart, Yasothon and Burirum. There are 2,740 machines in total which divide into 2,677 of sewing machines and 63 other machines. In addition, there are accessories for sewing machines which can help adjust the machines to work more efficiently and more suitable for product styles. There will be many different types according to the product style which the company has an actual production volume of 6 million pieces per year.

### Sabina Fareast Company Limited (Subsidiaries)

Operate lingerie design, produce and distribution business which divide into 2 main sections as following.

1. lingerie design, produce and distribution business under the trademark SABINA which comprise of sub collections such as Sabinie, DoommDoomm, Soft Doomm, Modern V by Sabina and several other variety collections meet with the needs of women of all age.

2. lingerie design, produce and distribution business made to customer order who are lingerie suppliers in foreign countries (OEM) such as England, USA, Europe, Russia and Scandinavia etc.

Furthermore, lingerie is also sold under the trademark "SABINA", "SABINIE" and "SBN" which already partially registered in foreign countries. The selling lingerie product under our own trademark is an outright sale to distributor. Most of them would distribute their products in department store or their own store. Fore example in the Middle East, including The United Arab Emirates in Asia, including Pakistan, Bangladesh and the ASEAN Economic Community (AEC), Myanmar, Cambodia, Philippines, Laos and Vietnam.

The current subsidiary has to 2 factories located in Bangkok and Nakorn Pathom. Total number of machines is 1,430 which can be divide into 1,279 of sewing machines and 151 of other machines. Currently, the subsidiary has a production capacity of 2 million pieces per year.

**Table : Activities of the Company and Subsidiary**

Activity	Design	Manufacturing and Sales under Own Brand Names	Manufacturing and Sales to Subsidiary	Manufacturing and Sales of OEM Products to Overseas Customers
Company	✓		✓	✓
Subsidiary	✓	✓		✓

3) In case the company operates the business by holding the shares of other companies.

- None -



4) Name and location of any corporate of which the company holds 10% or more shares of all issued stocks.

- None –

1.3.2 Controversial individuals hold the shares in the subsidiary or joint venture at more than 10% of the company's common stock.

- None –

1.3.3 The relationship with the business group of major shareholders.

- None –

#### 1.3.4 Shareholders

##### 1) Major Shareholder

First 10 major shareholders of Sabina PLC. as on the latest book closing date, 27 August 2021

Shareholders		
	Number of Shares	Percentage (%)
1. Mr.Viroj Thanalongkorn	161,157,000	46.38
2. Mr.Atchada Thanalongkorn	10,501,000	3.02
3. Ms.Pitcha Thanalongkorn	10,504,000	3.02
4. Bualuang Long Term Equity Fund	9,997,900	2.88
5. Bualuang Factor 4 Long-Term Equity Dividend Fund	9,182,600	2.64
6. Mr. Chaiyakorn Siriratatsadon	5,478,900	1.58
7. Thai NVDR Company Limited	4,308,746	1.24
8. Mr. Vich Maka-apitruk	4,000,000	1.15
9. CITI (NOMINEES) LIMITED-AIA COM (TST) LTD ATO PINEBRIDGE FD SER-PB ASIAN FUND-CUSTODY	3,323,500	0.96
10. Bualuang Factor 4 Retirement Mutual Fund	3,288,900	0.95

2) Holding shares of other companies requires the shareholders to reveal the information of the subsidiary's shareholders, who operate the main business.

- None -

##### 3) Obligations of Major Shareholders

- None -

#### 1.4 The Amount of Authorized Capital and Paid Capital

##### Amount of authorized capital amount and paid-up share capital

Current authorized capital of Sabina PLC.	347.50 million Baht
Authorized capital	347.50 million Baht
Common shares	347.50 million Shares
Price per share is 1 Baht	

#### 1.5 Other Assets Issue

- None -

#### 1.6 Dividend Payment Policy

The Company has dividend payment policy not to be lower than 40 % of the net profit after tax and reserve deduction according to the laws. Nevertheless, the dividend payment will depend on investment plan, necessity, and appropriateness in the future.

For subsidiaries, the Board of Directors of the subsidiaries will consider dividend payment from cash flow balance when comparing with that subsidiaries' investment budget. If cash flow balance has enough and reserve according to the laws, the Board of Directors of the subsidiaries will consider dividend payment case by case.

##### Dividend Payment Data

Sabina Co.Ltd.	2021*	2020	2019
Dividend per share (Baht)	0.85	0.80	1.19
Dividend remuneration rate (%) (Overall financial statement)	100.40	100.43	100.07
Dividend remuneration rate (%) (Specific financial statement)	99.42	87.48	127.64

##### Remark

\* 2021 dividend payment - the Board of Directors' meeting passed a resolution to pay interim dividends at the rate of 0.41 baht per share, and on February 21, 2022, the Board of Directors passed a resolution to pay dividends from the retained earnings at the rate of 0.44 baht per share, including dividend payment for the year 2021 equal to 0.85 per share Baht, which will be further proposed to the Annual General Meeting of Shareholders for the year 2022.

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## 2. Risk Management

### 2.1 Risk Management Policy and Plan

### 2.2 Risk Factors of the Company's Business Operations

Sabina Public Company Limited, "The Company", and Sabina Far East Company Limited, the "Subsidiary", have established a system for comprehensive risk management throughout the organization and appointed the Risk Management Committee to determine the framework of risk management, supervision, support, consideration of risk management plan, and follow-up on risk management towards an acceptable level. This shall be in compliance with business strategies and goals, with periodical reports on the progress to the Board of Directors according to the corporate governance principles, which considered as an administrative tool that helps to increase the chances of success following the objectives of the company. The directors, executives, and all staff employees are parts of the risks and must be responsible for identifying events, analyzing, evaluating opportunities and the severity of impacts to business operations of the company and its subsidiaries, as well as defining limited measures for the protection and control of risk as a framework in the risk management process throughout the organization. All of these are in accordance with the objectives, goals, and strategic plans, this includes risk assessment against corruption of the company and its subsidiaries, together with the evaluating risk management efficacy, monitoring situations and risk factors that may be changed at all the time. Therefore, the company determines overall objectives as follows:

1. To allow the Risk Management Committee, the Board of Directors, and executives to be aware of important risks and overall risks, including the effective and efficient risk control and protection.
2. To encourage all executives and staff to bring the risk management system for practice in the same way throughout the organization and determine the risk management as part of decisions to establish strategies, plans, and operations of the organization.
3. To be able to search, specify, limit, and prevent risks throughout the organization towards lower losses or damages with appropriateness.
4. To determine the risk management guidelines at an acceptable level by considering measures to reduce opportunities and / or impacts of potential risks with efficiency in accordance the objectives set by the company.

The scope of risk management is enforced to all operations, including directors, executives, and staff of the company and its subsidiaries. In this regard, the company defines the risk management policy as follows:

1. The Company and its subsidiaries operate under acceptable risks to achieve the objectives, goals, strategic plans, as well as to respond to the expectations of stakeholders by determining risk management as part of the annual business plan, routine management and decisions, Including various processes of project management.

2. All executives and staff are owners of the risks, with their responsibilities to identify events and assess the risks, as well as determine appropriate measures to manage risks up to the acceptable levels.
3. It is important to encourage risk management as part of the corporate culture by allowing all executives and staff to realize the importance of risk management.
4. Risks which might affect the goal and strategy accomplishment of the company and subsidiary must be managed promptly and consecutively, by indicating the risk thoroughly and in a timely manner, evaluating risk opportunities and impacts if the stated situations happen and manage the risks to be in an acceptable level, considering the appropriateness of costs and compensation that might happen.
5. The risks which might affect goal and strategy accomplishment of the company and subsidiary must be followed closely and reported regularly to ensure that the risks of the company and subsidiary will be managed appropriately. The Risk Management Committee must review this policy every year and propose to the Audit Committee as well as the Board of Directors for approval if changed.

#### **Enterprise Risk Management (ERM)**

The company's risk management process is linked with its policy, strategic plan, and business goals by analyzing and evaluating risk factors that affect the likelihood of risks and the severity of impacts. The Enterprise Risk Management (ERM) is divided into 7 parts, which are: Strategic risk, Operational risk, Financial risk, IT Risk, Corruption risk, and Social&environmental risks, which may affect the operating results, staff, customers, partners, fame, organization, society, environment and Regulatory risk. The emerging risks and severe damages need to be considered in businesses. The company creates a risk management plan and determines the risk indicators to track and report on the results to the Corporate Risk Management Committee and the Audit Committee as specified.

#### **Enterprise Risk Assessment**

The company reviews every transaction from its operations to find the main risks and determine the risk assessment criteria for the likelihood of risks and the severity of the impacts for the assessment of corporate risks, Including the Key Risk Indicator (KRI), Risk Appetite, and the deviation level from the criteria of Risk Tolerance, to track the 7 parts of risks and report the results to the Corporate Risk Management Committee and the Audit Committee as follows:

**1. Strategic Risk**

Contents/Risks	KRI / Control	Likelihood	Impact	L x I
1. Inappropriate dependence on income sources	The proportion of income for each channel of sales	4	3	12
2. Inappropriate dependence on product sources	The proportion of self-manufacturing and hired manufacturing	3	2	6
3. Business performance not in accordance with the goals	Sales figures and expenses	4	4	16

**2. Operational Risk**

Contents/Risks	KRI / Control	Likelihood	Impact	L x I
4. Operations of partners	- Number of partners per raw materials of each type and the ranking of the company's partners	3	3	9
5. Shortage of skilled workers	- Level of multi-skills	3	3	9
6. Inappropriate amounts of products for sales	- Days Stock	3	2	6

**3. Financial Risk**

Contents/Risks	KRI / Control	Likelihood	Impact	L x I
7. Risk from delayed payment of debtors	- Value of debtors exceeded the total value	2	4	8
8. Risk from exchange rate	- Real exchange rate compared to the specified rate	3	3	9

**4. IT Risk**

Contents/Risks	KRI / Control	Likelihood	Impact	L x I
9. System interruptions during operations	- Frequency of system interruption from every cause	3	3	9
10. Camouflage / spoofing information access by outsiders	- Fire wall Risk Factor	1	2	2

## 5. Corruption Risk

Contents/Risks	KRI / Control	Likelihood	Impact	L x I
11. Payment of bribes for the convenience of releasing raw materials from the pier	- No bribe payments	1	2	2
12. Use of authorities and duties to demand gifts, benefits, and rewards	- No benefits in purchasing or procurement	1	2	2

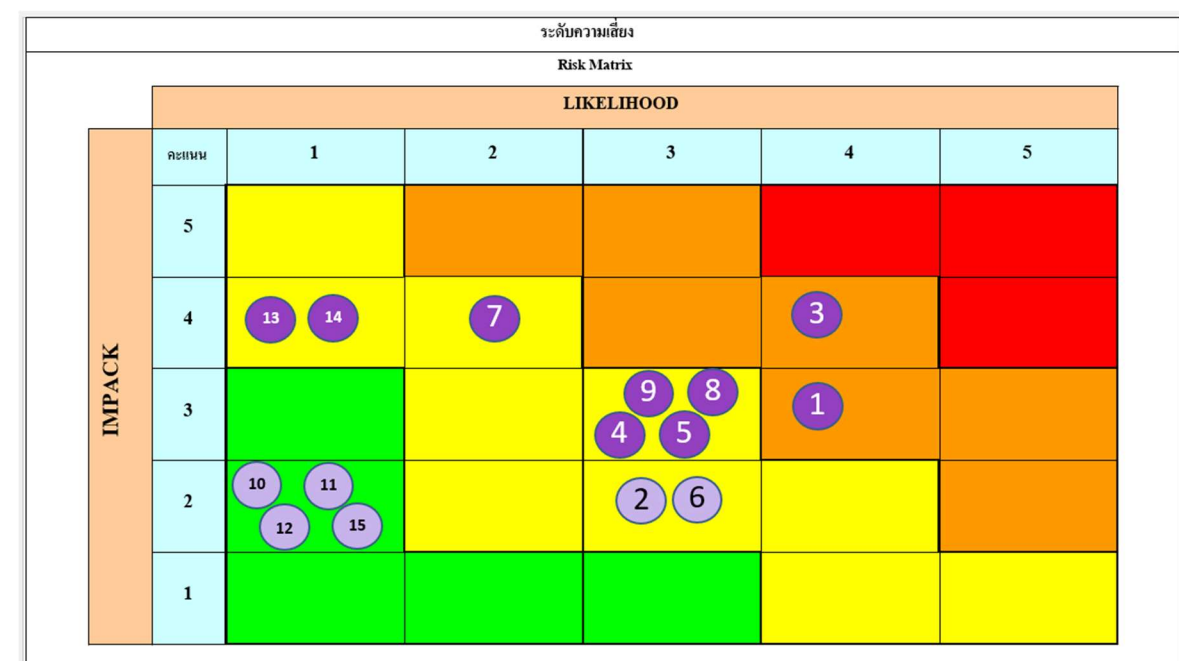
## 6. Social &amp; Environmental Risk

Contents/Risks	KRI / Control	Likelihood	Impact	L x I
13. Negative impacts on society	- No complaints from the surrounding community	1	4	4
14. Negative effects on the environment	- Sewage according to international standards - Ventilation according to international standards	1	4	4

## 7. Compliance Risk

Contents/Risks	KRI / Control	Likelihood	Impact	L x I
15. Leakage of employee / customer information	- Access control - Data encryption	1	2	2

From the assessment of those risks, the company could identify the level of corporate risk as shown in the table.



From the level of scores for each corporate risk, the company could ensure its implementation of appropriate risk management by reviewing all important risks to determine measures for the control and alleviation of various risks, especially the risks with moderate level of impacts (level 3) as follows:

#### **Inappropriate Capital Source Dependency**

The company has three main revenue sources, including retail business, non-store retailing and OEM (Original Equipment Manufacturer). COVID-19 during 2020–2021 affected the retailing business while creating the opportunity for the company to expand the distribution channel through non-store retailing and OEM, which received the opportunity to produce masks during the mask shortage period in 2020 and in 2021 that the COVID-19 situation seemed to relieve, the production orders from overseas through OEM increased. This helped the revenue sources of the company to disseminate appropriately based on the policy, strategy and business goals, which resulted from risk management of the company about revenue proportion dissemination in 2021.

#### **Unsatisfied Business Operations based on the Goals**

The main issues of this risk are very important, so the company has reviewed the key risk indicators about sales and costs regularly as appropriate, in order to accomplish the business goals, adjust the cost management from cost center to be profit center and assign a devoted department to manage profit and loss specifically, which can cause the business operations to be as per the goals and able to pay the dividends of not less than 40 % of the total profit. The dividends for shareholders were approved at the rate of 100 % from 2017 until present. Moreover, the ratio of debts and shareholders has always been less than 1.0. In 2021, the DE ratio was at 0.48.

#### **Suppliers' Operations**

The company has set the guideline to control this risk by sourcing materials both domestic and from overseas, to ensure that materials would be high quality, diverse, reasonably priced and sufficient for production. This is to reduce the dependency on any sole supplier, prevent lack of materials, prevent the price monopoly of suppliers and provide choices for distributing needed materials to several suppliers. Presently, the trade agreement with many countries leads to much lower import tax.

Based on the indicators, the company verified the number of suppliers and each type of materials, the process of selecting legitimate suppliers, social and environmental management, human rights respect and supplier evaluation, considering the shipping and material quality of each supplier to rank suppliers of the company. Moreover, the logistics risk from lack of containers for transporting materials also needs to be considered to reduce the risk from suppliers' operations, which might affect material delivery.



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**Lack of Skilled Labor**

Labor in the lingerie industry is hard to find because it requires high sewing skill and practice to become a professional, which is different from labor in other clothing industries. This makes laborers become interested in working in factories that do not require high skills and competencies, especially for the industry with machines and modern technology, where they might receive equal or more income. Therefore, this industry lacks skilled laborers. Furthermore, as the patterns of the products are various and change all the time, the employees need to improve and adapt their skills for it. Hence, the company specifies providing training for sewing employees to have various competencies, work with various sewing machines and work with multi-skills. The indicator for this risk is multi-skill level.

**Risk from Exchange Rate**

The company and subsidiary operate women's lingerie business, so the exchange rate risk would be from importing materials and finished goods from overseas and exporting the products in the form of OEM.

Therefore, to reduce the risk from exchange rate fluctuation, the company has planned the management of receivable and payable cash flow to be concordant. The measures are as follows.

1. There are employees who are responsible for monitoring the exchange rate closely to assess the situation and trends of the exchange rate of each currency.
2. Opening foreign currency deposit account (FCD) to reduce the risk of exchange rate fluctuation.
3. Conducting the forward contract for foreign currency purchase with the products of the stated risk.

**Risk from Late Repayment by Debtors**

The company requires staff to take care of each debtor by interacting and building a good relationship between the company and the debtors to know their possibility and ability to pay debts, as well as the trend of the debtors that may have problems in debt repayment. The company sets measures to jointly solve those problems. At present, the company has a ratio of overdue debt payment among customers debt at the rate of below 5%, including no customers who are bad debts.

**Disruption of the Operation Systems**

As equipment damage cannot be prevented, the company has prepared reserve equipment in case of any damage, so that disruptions will not last long.

**Negative Impact to Society**

The company indicates measures to sustain the neighboring communities, who might be negatively impacted from business operations of the company, such as waste, traffic, noise, wastewater, and air pollution. The company conducted a survey to examine negative impacts with communities via the Impact with Communities Evaluation Survey, in order to ascertain the information and indicate the measures to solve and prevent the problems. In 2021, the company did not have any complaints from the communities.

### Negative Environmental Impact

The company has specified to have an air treatment system and wastewater treatment system before releasing air and water outside to prevent negative environmental impact. Moreover, the company has hired an internationally standardized organization to measure the value of air quality and wastewater for a specified period to ensure that the prevention system is effective.

### Building the Risk Management Culture of the Organization

Apart from organization risk management measures, the company realizes building the risk management culture of the organization because every department owns some risks, which might lead to unsuccessful business goal accomplishment. Therefore, risk management requires cooperation from all employees, so the company highlights building the risk management culture of the organization by operating as follows.

1. In 2020, the company trained 40 managers of each department, sector, and division about risk management on 27 August 2020, and in 2021, evaluated the understanding of risk management. The evaluation results showed that the understanding was at the expected level.

2. The company required every department to indicate the risks of their own department to specify 22 internal risk issues, as well as considering the impact opportunity to create the realization and foster a risk management culture in every department.



3. Monitoring the risk management operations by conducting the meetings of operation level quarterly, which includes risk management committees and risk owner; and conducting the meeting of committee level 2 times a year, which includes risk management committees, risk management secretary and internal inspection.

### Emerging Risk

Emerging risk is the impact of economic uncertainty, politics, natural disaster and critical situations, which cause the revenue, profit and development plan of the company to depend on customer purchase, which might be affected by uncontrollable external factors. However, the company has conducted risk

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management measures to reduce negative impacts, caused by unexpected situations, towards business operations and outcomes of the company as much as possible.

1. **Lack of Products and Higher Product Costs:** The company considers negative impacts from lack of products and higher product costs, so the company has sourced more product channels, both a self-produced channel or sourcing from other countries, but still maintains the standards of the products and appropriate product costs.

2. **Strengthening the Revenue and Sustainability:** The company values every revenue source, so the company expands more distribution channels and does not depend solely on any channel too much. Moreover, the company also searches for new distribution channels both domestic and from overseas, as well as online and offline.

3. **Preparing Backup Plans for Unexpected Situations:** Due to the impacts from disasters and epidemic in the past, the company has the model to deal with unexpected crises better and more effectively and is able to recover the business operations fast.

#### New Risk

1. Risk caused by technological changes

Current technological advances affect changing of consumer behaviors, as well as the methods of purchasing products and services, in which impacts retail business operations, such as sales management and warehousing systems, transportation systems, and marketing communication with stakeholders of the company. These risks may affect the traditional business. Therefore, the company determines several measures for risk management, starting with the big data technology for analyzing the behaviors and needs of customers to foresee their needs and prepare new products and services that are beneficial to them, leading to an increasing revenue. Furthermore, the company must define measures to improve warehouse management and transportation systems to reduce the delivery time of products, in responding to the rushing lifestyle and customers' needs more easily and quickly.

The marketing media is also expected to receive effects from more technological advances. Consumers change the channels of media reception to new ways that can be reached quickly and at all time. In addition, the new media channels are also easy to increasingly support consumer decisions. Thus, the company needs to transform their marketing media in accordance with those changes.

2. Risk from the adjustment of workers with new technologies

From technological advances that have changed rapidly and continuously, the company has developed working systems and brought various technologies to be applied in the organization. Therefore, this is a problem and challenge for the company's workers to adapt to the new work and technological systems. The company has thus begun measures to develop the potential of personnel in all areas by

allowing them to reskill and upskill their knowledge, so they can work differently in the midst of technological changes and advances.

### 3. Risk from Serious Epidemic

COVID-19 affected business operations in 2020–2021 and the government issued serious measures, such as lockdowns; the shutting down of many places, shopping malls, economic activities and the town; and prohibiting travel. This affected the sales and revenue of the company. Also, the economic halt affected people's income and caused people to spend less. Furthermore, COVID-19 worried employees and caused them to return to their hometowns, which affected the production of the factories, so the company specified measures to deal with risks from serious epidemic and particular practices during such.

### 3. Business Driving for Sustainability

#### 3.1 Sustainability Management Policy and Goals

Sabina (Public) Co., Ltd. as Thailand's biggest ladies' lingerie producer and distributor under the brand name "Sabina" has a strong determination to operate its business with compliance to the sustainability principle which covers three dimensions: Economy, Social and Environment as per the following goals:

	Economy	Social	Environment
Goals	A good business turn-over, stable, growth and generating sustaining profit.	To operate its business with responsibility to employees and consumers and to participate in building a sustainable society.	To operate its business without making any negative impact on the environment and participate to reduce greenhouse gases.

The company has established the operational policies for sustainability development so that all working units of the company apply those policies with their operations objectively, cascade the sustainability development goals into all line operations properly, and help to integrate the operational plans for alignment in the same direction to gain the maximum benefits for all stakeholders. In the year 2021, the Sustainability Committee has proposed the related policies, goals and performance to the Board of Directors to review and acknowledge.

	Economy	Social	Environment
Sustainability Development operational policies	<ul style="list-style-type: none"> <li>- To operate its business with good governance principles.</li> <li>- To develop product innovation to respond to customers' needs.</li> <li>- Effective Risk Management.</li> <li>- Equitable servicing to all customers, maintain the safety and privacy of customers' personal information.</li> </ul>	<ul style="list-style-type: none"> <li>- To treat all employees with equitability including developing their skills and knowledge and overseeing their working surroundings.</li> <li>- To respect human rights and accept inclusion.</li> <li>- To contribute to the quality of life development for women with breast cancer.</li> <li>- To contribute to the educational quality development for underprivileged persons.</li> <li>- To generate income for society.</li> </ul>	<ul style="list-style-type: none"> <li>- To manage the general and production waste properly.</li> <li>- To monitor the wastewater drainage and air pollution to avoid any environmental impact.</li> <li>- To use energy sparingly and valuably and use alternative energy.</li> <li>- To develop and improve its operations to reduce greenhouse gases emission.</li> </ul>

### 3.2 Stakeholders Impact Management in the Business's Value Chain

#### Responding to the stakeholders

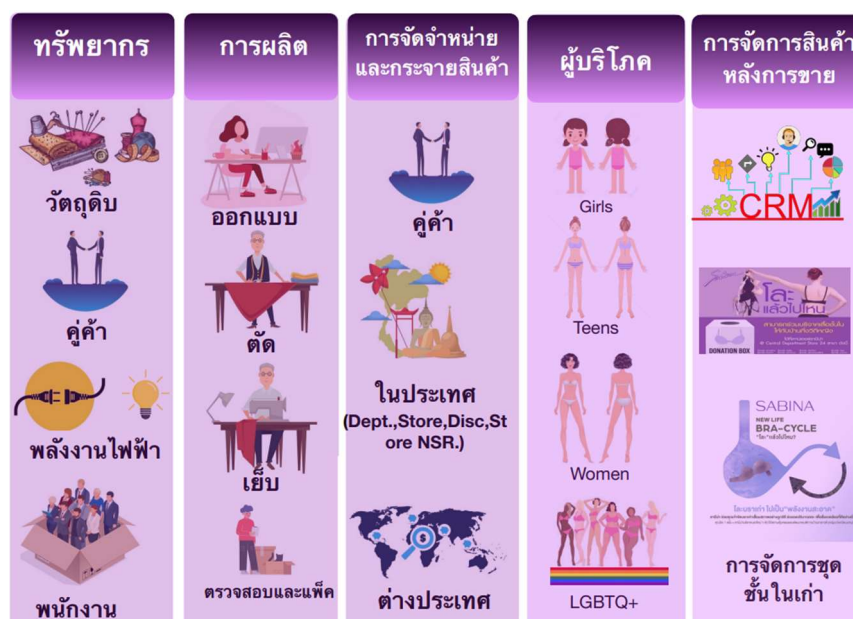
Group of Stakeholders	Participation Channels	Expectation and Materiality Issues	Responding
Customers and Consumers	Social Network, Website, Salespersons, CRM	Products quality/price. Attractive Sales Promotions. Customization.	<ul style="list-style-type: none"> <li>- Marketing Research/Product Innovation</li> <li>- Marketing Strategies/After Sales Services</li> <li>- Quality Control on every process</li> </ul>
Employees	Training, Activities, Noticed Board, Town Hall Meeting	Remuneration/Welfare. Career Advancement. Surrounding/Work Environment.	<ul style="list-style-type: none"> <li>- Training Needs/Competency Improvement</li> <li>- Welfare Committee's Meeting</li> <li>- Annual Performance Appraisal</li> </ul>
Business Partners	Postal mails, E-mails, Telephone, Meeting	Contemporary and Attractive shop display/web page. Speeding Sales/High Sales Volume.	<ul style="list-style-type: none"> <li>- Shop/Web page Design</li> <li>- Marketing Plan/Interesting Sales Promotion</li> </ul>
Shareholders and Investors	Shareholders' Meeting, Annual Report	Dividends. Business Stability. Business Growth.	<ul style="list-style-type: none"> <li>- Increasing Dividend Payment Ratio.</li> <li>- Business Turnover</li> <li>- 3-5 Years Business Plan</li> </ul>
Government and local authority	Postal mails, E-mail, Telephone	Laws compliance.	<ul style="list-style-type: none"> <li>- To operate its business with laws compliance and monitoring process to detect any false action by the Audit Team</li> </ul>
Community	Evaluation Form, Meetings	Garbage and Production Waste. Wastewater and air emission from operations controls. Revenue to Community.	<ul style="list-style-type: none"> <li>- Factory Waste Management.</li> <li>- Community Impact Survey to correct and improve.</li> <li>- Job hiring</li> </ul>

Group of Stakeholders	Participation Channels	Expectation and Materiality Issues	Responding
Suppliers of Raw Materials/Products	Postal mails, E-mail, Telephone, Suppliers Visit	Advanced Order Acknowledge Reasonable Price. On-time payment.	- Submit the future purchasing planning. - Specify the payment terms.
Society	Social Network, Website, Field Work	To create and return benefits to Society. Ethical Business Operations.	- Artificial cups project. - Educational Scholarships. - Anti-corruption Promotion
Creditor	Postal mails, E-mail, Telephone	Ability to pay the debt.	- On-time payments.

### 3.2.1 Business's Value Chain

#### Supply Chain Management

The company gives priority to the supply chain management in every process of the business chain to achieve a good turnover and the business targets. This will start from the utilization of the production materials, improvement in the production lines, warehouse management, transportations and distribution to the customers included to the after-sales services based on the equitable business operations and responsible for the production supply consumptions which shall not impact to any supply utilization of the next generation and responsible to all stakeholders as well.





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### 3.2.2 Stakeholders Analysis in the Business's Value Chain

#### Supply Management

**Raw materials and supplier aspect:** The company emphasizes using safe and environmentally friendly materials for the customers. We are beginning to use recycled materials in some particular products by selecting trusted suppliers who comply with the legal regulations and the international standard such as OEKO-TEX Standard 100 certification (The International Association for Research and Testing in the Field of Textile Ecology) or ISO, and so on. We also operate our business with a determination towards social and environmental management especially respecting human rights as well as coordinating with all suppliers to exchange knowledge and material improvement to add value to our products.

**Electrical power aspect:** The company realizes the importance of power utilization in production and emphasizes its effectiveness. For this instance, the company considers using alternative energy, using good quality equipment and tools, and reserving energy by cultivating employees' energy saving conscience.

**Employee aspect:** The Company realizes the importance of employees, which are the most valuable resource of the organization. Therefore, it supports the development of all-round personnel potential by allowing employees to learn new skills (Reskill) as well as providing them with education on more advanced skills (Upskill). Then, they can work differently and use more modern technologies towards the success, along with taking care of the employees' basic human rights for happiness, enjoyment, and challenging work environment.

#### Production Process

The company focuses on every detail of its products from the designing process to suit ladies of all ages and consider minimizing the production materials which are the concepts of some particular products: Wireless Bra and Seamless Fit. The company also manages our production processes efficiently by applying the Lean principle to create more value in all processes and eliminate invaluable works, help reduce the product delivery time and reduce a lot of waste. The company also emphasizes production supply consumption responsibility, so it has launched the Zero Waste Project. Furthermore, the company shall not create any negative impact from our production. Our wasted water or air released from our operations will be treated properly according to the international standard. The company is aiming to be a Green Industry.

#### Marketing Channels and Products Distributions/Transportations.

The company has distributed both our products and the OEM products domestically and overseas through three marketing channels, which are retail business, non-store retailing and OEM (Original Equipment Manufacturer). The OEM products will be delivered to the ordering customers, both domestic and overseas.

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For our Sabina brand, all finished products will be forwarded to the warehouse and distributed into two channels as follows:

1. The products will be distributed to all sales points nationwide of both the company's shops and business partners' sales booths. The company's shop proportion is 17%. The company has developed the Point of Sales (POS) system at every sales point to monitor the sales and inventories so that the products can be distributed properly, in a timely manner, and suit the customers' requirements in each area. This system will help to fill up inventories appropriately and suitably in each sales point to create more sales opportunities.

2. Online sales distribution. The company sells the products online through its official website and other business partners' marketing platforms. The official website online sales accounts for 10% but it needs a very effective administration since the products need to be delivered within 48 hours after receiving the orders. So, the company has developed a special computerized program to receive the orders, to prepare hand-held products order, to generate bills, and forward orders to the transporting providers and the customers' interaction system to notify them about the orders and the delivery status. Furthermore, to ensure the online customers' confidence since they do not have a chance to see and check the real products, the company has launched the No Questions Asked Policy to return the products. This policy helps develop online sales growth rapidly and continuously.

### **Transportation**

To distribute the products to all sales points nationwide, there are two ways to operate as follows:

1. The company transports the products to the sales points by itself with Full Truck Load or Milk Run patterns with the tracking system to monitor the details and routing status.

2. The company hires other transporting sub-contractors or transportation providers to deliver the products to remote sales points, for urgent cases, or small orders cases.

### **Customers**

The company emphasized the quality and safe production according to the customers' expectations not to avoid any complaint but to create customers' satisfaction. The company also emphasizes product research and development to create value and product innovation according to the company's vision that is "Create Value with Innovation" to respond to the requirements of the customers of all genders and ages, and to deliver the Product Beyond Expectation to create customers' highest impressions.

Our products respond to ladies of all ages and a variety of alternative genders with all required features since the company has conducted product research and development to cover all requirements of comfortable wear, product design, fashion, and price with the product innovation to create the satisfaction and the surpass expectations at all times.

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## **Products Destruction Management.**

The company has established Customer Relationship Management (CRM) to communicate and build relations with customers, to receive feedback, suggestions and any complaint as well as solve the problems for customers, and refer such problems to the related departments for awareness and prevention.

Furthermore, the company has launched the New Life BRA-CYCLE project for unwanted or deteriorated lingerie. The company has coordinated with INSEE Ecocycle Co., Ltd., a subsidiary of Siam City Cement Group, and Kerry Express (Thailand) Public Co., Ltd. to operate this project since December 24, 2021. The customers can dispose of their unwanted lingerie at any of Sabina's sales point, offices, shops and Kerry counters nationwide. The disposed of lingerie will be forwarded to the INSEE Ecocycle for destruction by a secure incineration system without environmental pollution.

## **3.3 Sustainability Management in the Environmental Dimension**

### **3.3.1 Environmental Policy and Practices**

#### **3.3.2 Environmental Performance**

The company has stated sustainable management in the environmental dimension in attachment number 6 of the sustainability report, under the topic of Environmental, Social, Governance (ESG)

## **3.4 Sustainability Management in the Social Dimension**

### **3.4.1 Social Policy and Practices**

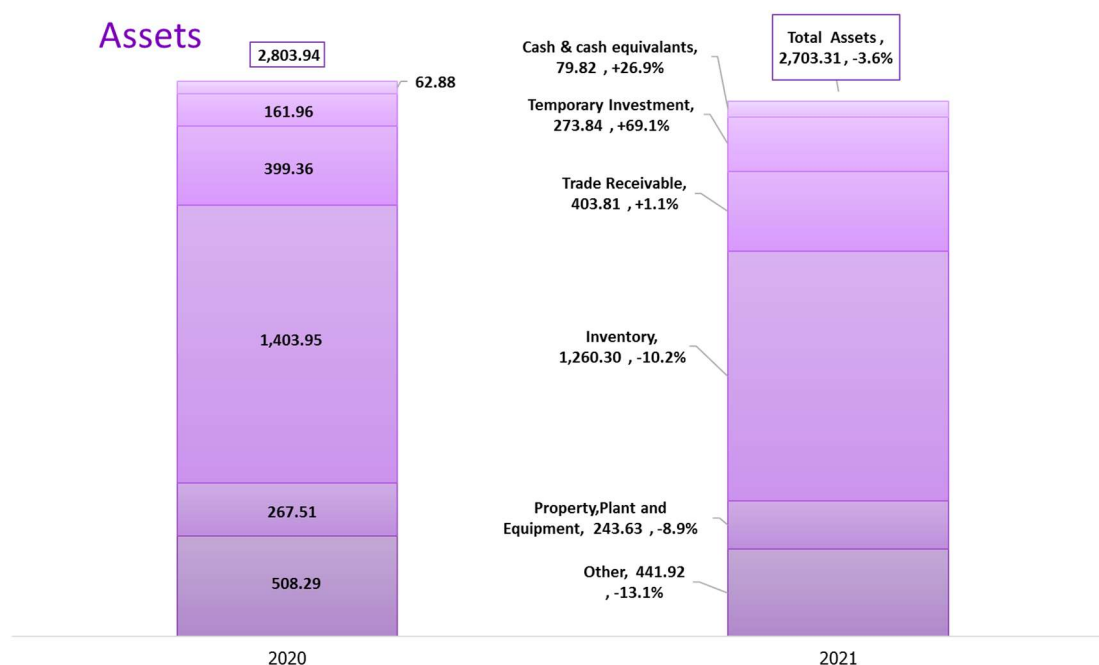
#### **3.4.2 Environmental Performance**

The company has stated sustainable management in the social dimension in attachment number 6 of the sustainability report, under the topic of Environmental, Social, Governance (ESG)

#### 4. Management Discussion and Analysis (MD&A)

##### 4.1 Business Operations and Financial Status Analysis

##### The Details and Analysis of Financial Status and Operation Performance



##### Assets

For the year 2020, the company's total assets decreased to 2,803.94 million baht, or 213.97 million baht from the year 2019. This was resulted from a decrease in trade accounts receivable to 399.36 million baht, followed by other accounts receivable of 36.95 million baht), inventories of 1,403.95 million baht, as well as land, buildings and equipment of 267.51 million baht, and deferred tax assets of 241.01 million baht. Meanwhile, the right assets held for use were increased to 63.95 million baht.

In 2021, the total assets of the company were 2,703.37 million baht, which decreased from 2020 by -3.6%. The inventory was 1,260.30 million baht, which decreased from 2020 by -10.2%. Total land, buildings and equipment were 243.63 million baht, which decreased from 2020 by -8.9%. Other non-current assets were 441.92 million baht, which decreased from 2020 by -13.1%.

##### Account Receivables

For the year 2020, the company's trade accounts receivable were 399.36 million baht, a decrease of 18.06 million baht. Meanwhile, the due to repayment accounted for 92%. The overdue 0-3 months was equivalent to 5.8%, followed by 0.7% and 1.5% of the overdue 4-6 months and 7-12 months, respectively of all accounts receivable.

In 2021, the account receivables of the company were 403.81 million baht, which increased from 2020 by 1.1%. This included 85% of normal debtors, 10% of 0-3-month-overdraft debtors, 2% of 4-6-month-overdraft debtors, 3% of more-than-6-month-overdraft debtors. The proportion of overdraft debtors increased due to the spread of COVID-19 among CLMV sales representatives. This caused the temporary lack of liquidity to the company. The company had advised the sales representatives to sell products online more to substitute for decreased offline sales. This made their liquidity better and pay all the debts in 2022.

### Inventory

For the year 2020, the inventories were equal to 1,403.95 million baht, a decrease of 159.84 million baht, or 10.22 percent from the previous year. Mostly, this was due to the reduction of finished goods under the subsidiary's trademark, in-process goods, and raw materials.

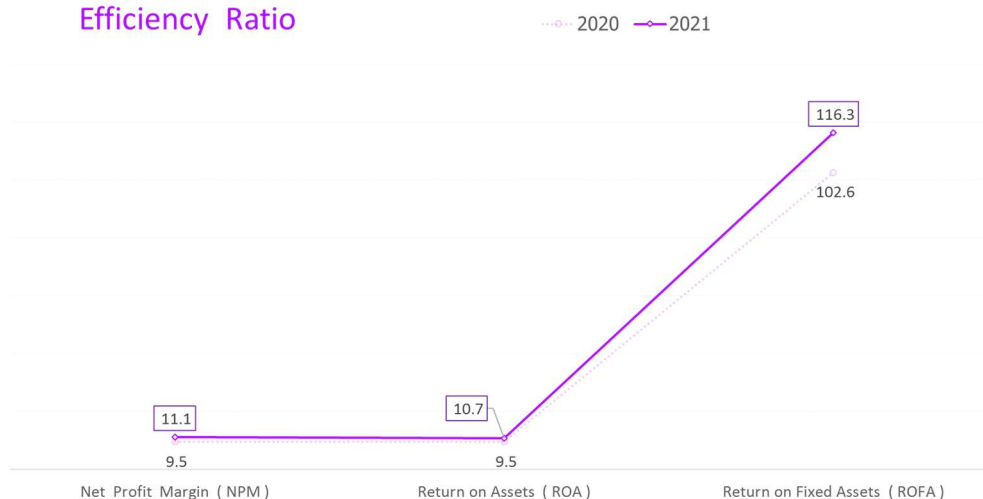
In 2021, the inventory was 1,260.30 million baht, which decreased by -10.2%, compared with 2020. This resulted from production management and product sourcing to be in line with customers' purchasing power during COVID-19 situation. DTC distribution (Direct to Customer) at the sales point, in which the remaining products in inventory could be seen, made it unnecessary to produce or source a large amount of products to stock at the sales points.

### Land, Buildings and Equipment

For the year 2020, the book value of the land, building and equipment of the company was equal to 267.51 million baht, a decrease of 14.58 million baht from the previous year. At the end of 2020, the depreciation of tangible assets was 44.35 million baht.

In 2021, the accounting value of land, buildings and equipment of the company was 243.63 million baht, which decreased from 2020 by -8.9% as the company bought computer equipment for 5.6 million baht. The installing assets were 6.9 million baht, other assets were 2.6 million baht and amortization were 39 million baht.

### Efficiency Ratio

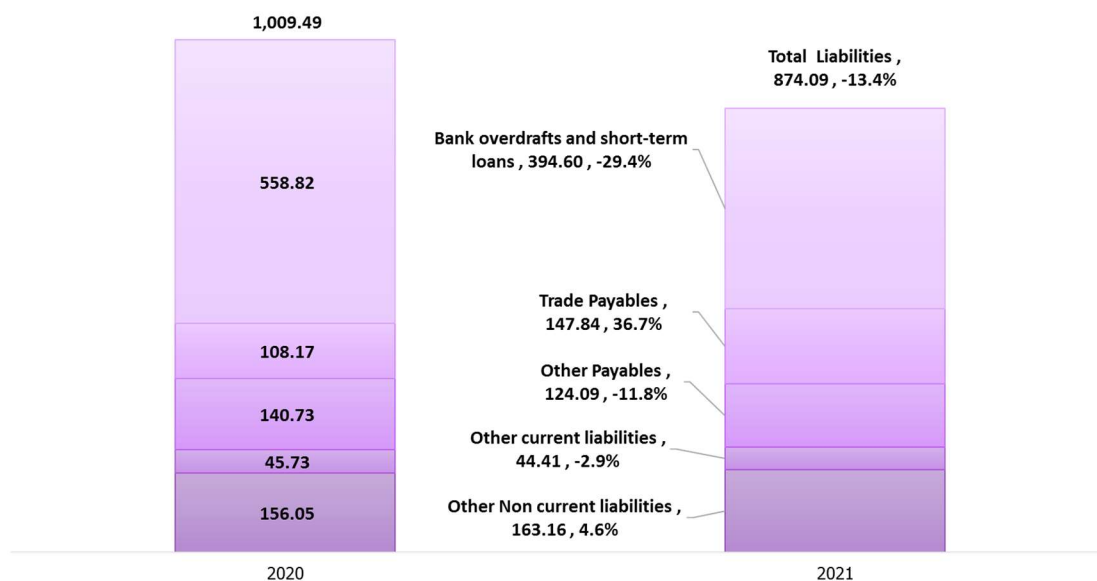


### Business Operation Performance

In 2020, the net profit rate recorded as 9.50% resulting in the return on total assets and the return on fixed assets at 9.51% and 102.60%, respectively.

In 2021, the net profit rate recorded as 11.1% resulting in the return on total assets and the return on fixed assets at 10.7% and 116.3%, respectively.

### Liabilities



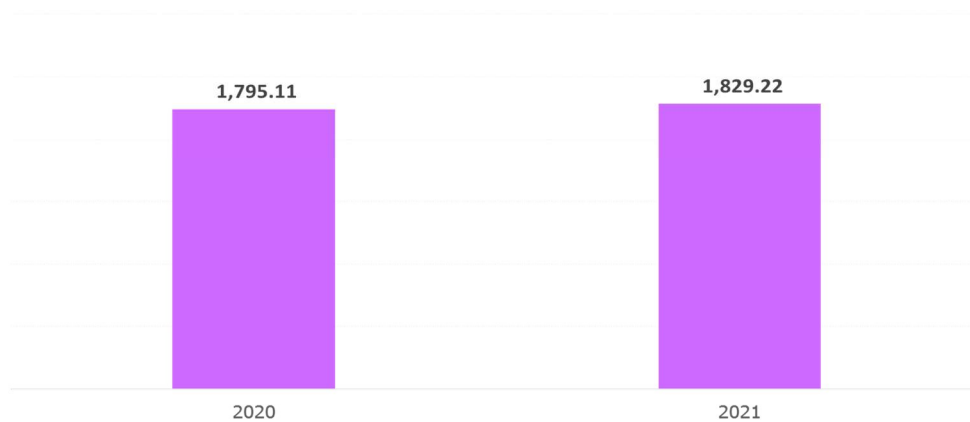
### Liabilities

For the year 2020, the company had liabilities of 1,008.83 million baht, a decrease of 148.14 million baht from the previous year, with short-term loan debt from financial institutions decreased to 558.82 million baht, followed by a decrease in trade payable of 107.51 million baht, other accounts payable of 140.72 million baht, and other current liabilities of 45.73 million baht. Meanwhile, other non-current liabilities were increased to 156.05 million baht.

In the year 2020, the introduction of TFRS16 accounting standard led to leasehold liabilities equal to 59.73 million baht, which divided into the leasehold liabilities due within 1 year of 36.15 million baht (included in other creditors) and the leasehold liability over 1 year but not more than 5 years of 23.58 million baht (included in other non-current liabilities).

In 2021, the total assets of the company were 874.09 million baht, which decreased from 2020 by -13.4%, with the overdraft and short-term loans from financial institutes was 394.60 million baht, which decreased by -29.4%. The account payables were 147.84 million baht, which increased by 36.7%. Other account payables were 124.09 million baht, which decreased by -11.80%. Other current debts were 44.41 million baht, which decreased by -2.9%. Other non-current debts were 163.16 million baht, which increased by 4.6%.

## Equity



### Shareholders' Equity

In 2020, the Company's shareholders' equity totaled at 1,795.11 million Baht, decreased in 65.83 million Baht from last year figure

In 2021, the Company's shareholders' equity totaled at 1,829.22 million Baht, increased in 34.11 million Baht from last year figure

### Liquidity Analysis

## Statements of Cash Flows



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**Cash Flow from Operating Activities**

For the year 2020, the company had cash flow from operating activities of 329.93 million baht, mainly from the period net profit of 276.81 million baht, depreciation and amortization expense of 53.78 million baht, and decreased inventories of 159.847 million baht, etc.

For the year 2021, the company had cash flow from operating activities of 578 million baht, mainly from the period net profit of 294 million baht, depreciation and amortization expense of 80 million baht, and decreased inventories of 144 million baht, etc.

**Cash Flow from Investing Activities**

For the year 2020, the company had net cash flow from investing activities equal to -24.77 million baht. The company redeemed the temporary investment of 9.35 million baht and investment in buildings and equipment of 29.10 million baht, etc.

In 2021, net cash flow from investing activities was -81.8 million baht as the company increased temporary investing money by -63 million baht and invested in buildings and equipment by -15 million baht.

**Cash Flow from Financing**

For the year 2020, the company had net cash flow from financing activities equal to -307.42 million baht, with dividend payment of 337.33 million baht and short-term loan from financial institution decreased by 6.25 million baht.

In 2021, paid cash flow from financing activities was -479.20 million baht, consisting of paying dividends of -299 million baht and decreased short-term loans from financial institutes of -164 million baht.

**Operation Performance****Sales Revenue**

In 2020, the company had revenue from sales and services equal to 2,898.01 million baht, a decrease from 381.74 million baht or 11.64% in 2019, due to the COVID-19 pandemic during the year 2020, which currently remains continuously expanding all over the world. This epidemic has caused the slowdown of economy and affected most businesses and industries. In Thailand, it has also been affected by such pandemic. The Thai government took measures to prevent the spreading of this epidemic crisis by the Lock Down of various stores from late March to mid-May 2020. Then, there has been certain measures of relaxation from the government to open-up those shops to continue their businesses. Afterwards, there came the spreading of the coronavirus in the second round at the end of December 2020 until the severe control measures have been required in high-risk provinces, respectively. However, the company's management has been able to adjust the business strategies for income, production cost, selling and administrative expenses to maintain the company's good performance.



In 2021, the revenue from selling the products was 2,612.55 million baht, which decreased from 2020 by 249.66 million baht, or 9.6%, due to the COVID-19 pandemic, which has spread since 2020. During the third quarter of 2021 when the government announced the control measures and conducted the economic activities in the seriously affected areas in September–August 2021, stores in the control areas needed to be temporarily out of business, which affected the offline revenue of the company. Therefore, the company adjusted the strategy to sell online more, receive more OEM orders and control product costs and operations to maintain good performance in 2021.

**Incomes from Sales Classified by Product (Unit: Million Baht)**

	2019	Percentage	2020	Percentage	2021	Percentage
Incomes from OEM product sale						
Bras	208.52	6.36	138.11	4.83	158.97	6.08
Underpants	42.23	1.29	24.19	0.85	69.88	2.68
Others	36.29	1.11	71.24	2.49	50.92	1.95
Total incomes from OEM product sale	287.04	8.75	233.54	8.16	279.77	10.71
Incomes from sale of subsidiary' brandname products						
Bras	2,411.05	73.52	2,189.00	76.48	1,639.88	62.77
Underpants	501.79	15.3	429.74	15.01	469.06	17.95
Others	79.62	2.43	9.93	0.35	223.84	8.57
Total incomes from sale of subsidiary' brandname products	2,992.46	91.25	2,628.67	91.84	2,332.78	89.29
Total incomes from sale	3,279.50	100.00	2,862.21	100.0	2,612.55	100.00

**OEM Products**

For the year 2020, the revenue from sales of OEM products was 233.54 million baht, a decrease of 53.5 million baht or 18.64%, which respectively divided into the sales of bras, underwear, and other products equal to 4.83%, 0.85%, and 2.49% of the total revenue from sales of goods.

In 2021, the revenue from selling OEM products was 279.77 million baht, which increased by 46.23 million baht, or 19.8%, accounting for 10.71% compared with sales revenue. The sales proportion of bras, underpants and other products was 6.08%, 2.68% and 1.95% of sales revenue, respectively.

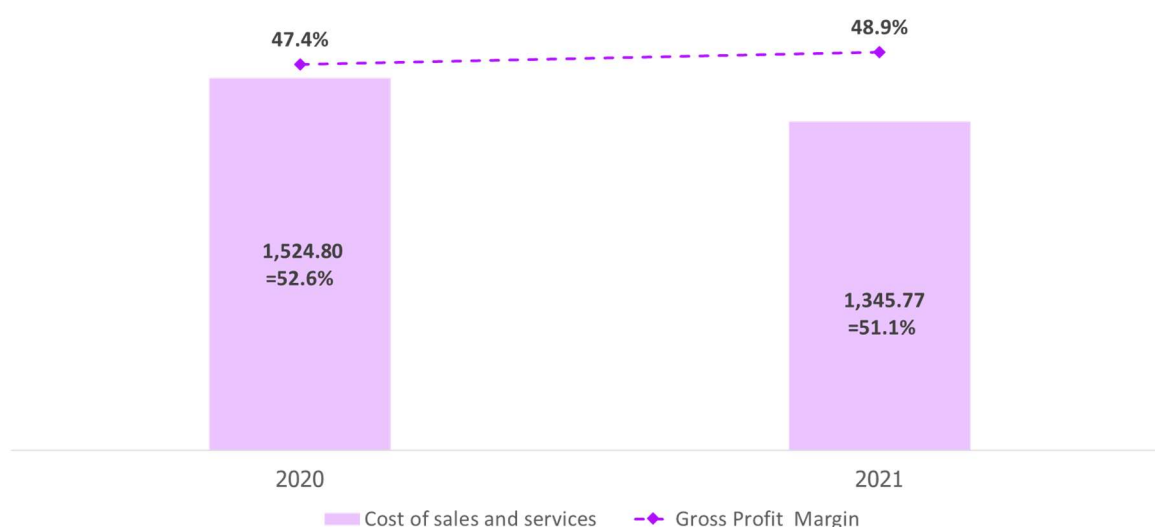
### Products under the Trademark of the Subsidiary

The revenue from the sales of products under the subsidiaries' trademarks is significant to the Company's revenues since the products have better prices and gross profit margin than the OEM products. In addition, the Company can control the design, quantity, and the distribution period. The revenue from the sales of products under the subsidiaries' trademark with continuous growth as follows.

For the year 2020, the company had revenue from sales of products under trademarks of its subsidiaries equal to 2,628.67 million baht, a decrease of 363.79 million baht or 12.16%, representing 91.84% of the revenue from sales of goods. The proportion of income from the sales of bras, underwear, and other products accounted for 76.48%, 15.01%, and 0.35% when compared to the revenue from sales of goods.

In 2021, the revenue from selling products under the trademark of the subsidiary was 2,332.78 million baht, which decreased by 295.89 million baht, or 11.3%, accounting for 89.29% compared with sales revenue. The sales proportion of bras, underpants and other products was 62.77%, 17.95% and 8.57%, respectively, compared with sales revenue.

### Cost of sale and service & Gross profit margin



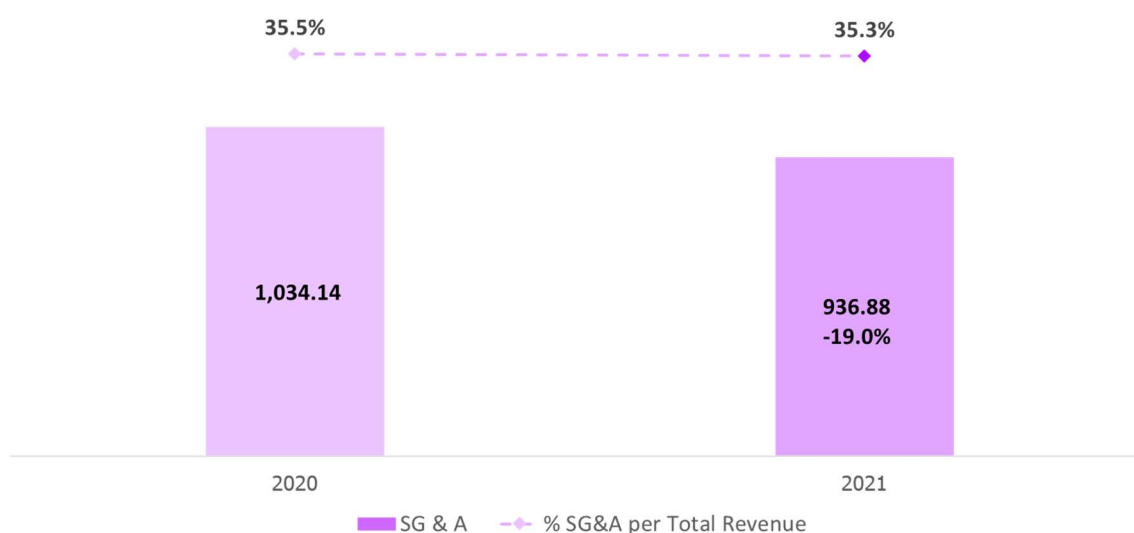
### Sales Costs and Gross Profit

For the year 2020, the company had cost of sales equal to 1,524.80 million baht or 52.6% of the revenue from sales and services, resulting in a gross profit of 1,373.20 million baht or 47.4% of the revenue from sales and services. This was a result from the lower gross profit in 2020 than 2019 due to the spread of COVID-19 pandemic, which caused the Lock Down business between late March and mid-May. During the epidemic crisis, there was a severe shortage of face masks and cloth masks. To help alleviate the spreading of this coronavirus, the company's management realized the plight of the whole public, then had a policy to produce cloth masks for donation to various government agencies and distribution to a large number of people and organizations. These products maintained lower gross profits than the company's main products.

Additionally, the overview of overall economy after epidemic crisis showed a decrease in the purchasing power of consumers. Therefore, in order to comply with the economic conditions, the company has produced products at affordable prices and discounts for consumers to stimulate more demands of consumers. Thus, this resulted in a higher cost per income with lower gross profits when compared to the year 2020.

In 2021, sales costs of the company were 1,345.77 million baht, or 51.1% of sales and services revenue, which contributed to the gross profit of 1,285.59 million baht or 48.9% of sales and services revenue. In 2021, the company could generate higher gross profit than in 2020, resulting from the company adjusting the sales strategy from 2020 – the company sold more OEM products, which significantly contributed to the higher gross profit, and sourced more quality and reasonably priced products to sell, which made the gross profit of 2021 better than 2020.

## Selling & Administrative expenses



### Sales and Administrative Expenses and Operating Profit

For the year 2020, the company recorded sales and administrative expenses of 1,034.14 million baht, a decrease of 242.31 million baht or 18.98% from the year 2019, accounting for 35.49% of the total revenue, which resulted from the COVID-19 pandemic. Thus, the company was exempt and received discounts on rental and service fees of the stores from the company's partners during the Lock-down period. In the meantime, the personnel expenses of the company also decreased due to the resigning of about 600 employees when compared to the end of 2020 and 2019. Nonetheless, the company did not recruit any new employees to replace vacant positions. Meanwhile, the marketing & promotion expenses also reduced following the adjustment to online channels.

The company had operating profits of 339.06 million baht, accounting for 11.70% of the revenue from sales and services.

In 2021, sales and administrative expenses of the company were 936.88 million baht, which decreased from 2020 by -97.29 million baht, or -19%, accounting for 35.3% of overall revenue. The COVID-19 pandemic during 2021 made the government enforce the measures to control economic activities in seriously affected areas during September to August, which made the company receive the exception or discount for some expenses from suppliers. Furthermore, for marketing and promotion, the company adjusted the strategy to sell the products online more and control the expenses to generate more worthwhile income by reducing unnecessary costs.

The operating profit of the company was 348.72 million baht or 13.3% of revenue from sales and services.

#### Paid Interest

In 2020 the Company had interest paid of 9.10 million Baht, increasing by 0.77 million Baht.

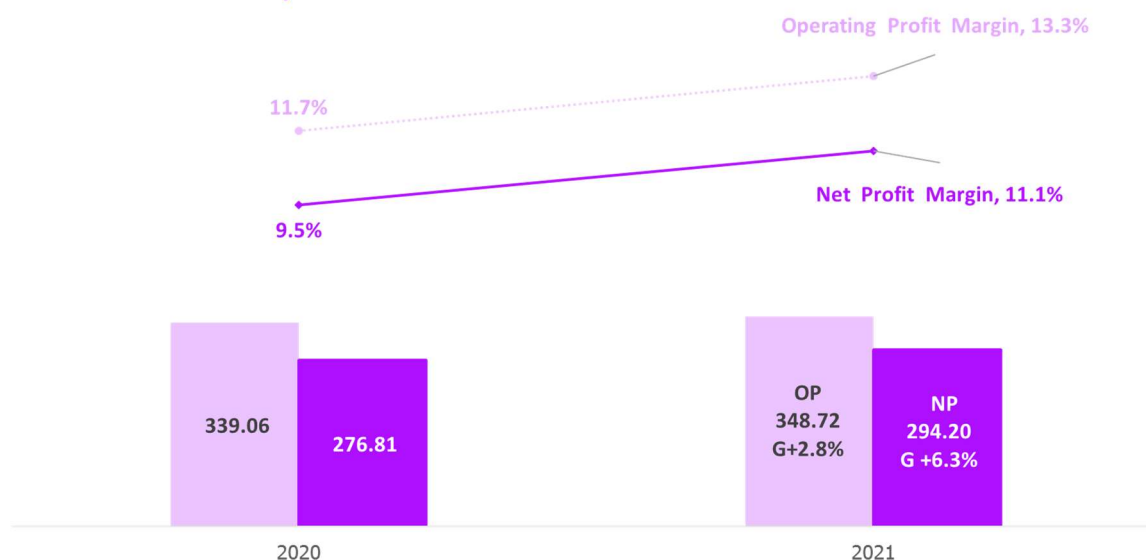
In 2021 the Company had interest paid of 4.91 million Baht, reducing by -4.19 million Baht.

#### Corporate Income Tax

In 2020, the Company had the corporate tax at 68.97 million Baht.

In 2021, the Company had the corporate tax at 73.92 million Baht.

### Profitability Ratio

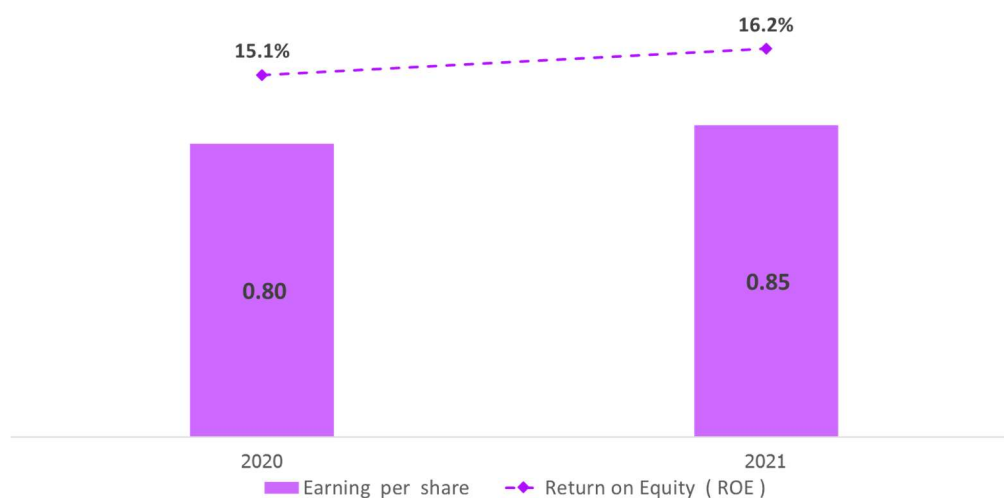


#### Net Profit

In 2020, the Company had the net profit of 276.81 million Baht decreasing by 136.44 million Baht or 33.02%

In 2021, the Company had the net profit of 294.19 million Baht increasing by 17.38 million Baht or 6.3%

## EPS & ROE



### Return on Equity for Shareholders

In 2020, the Company's basic earnings per share was at 0.80 Baht; and the Return on Equity (ROE) was at 15.14%

In 2021, the Company's basic earnings per share was at 0.80 Baht; and the Return on Equity (ROE) was at 16.2%

### Auditor's Remuneration

From 2019 to 2021, the auditor, A.M.T Associate Office, was paid as follows:

Unit : Baht	2019	2020	2021
Remuneration to auditor	910,000	910,000	910,000
Other payments	-	-	-

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#### 4.2 Explaining external and internal factors or situations which might significantly affect financial status or operations in the future

##### Internal Factors

###### Lack of skilled craftsmen / craftsmen training

Due to COVID-19, many craftsmen of the company resigned to return to their homeland or perform freelance jobs more, which made the company lose opportunities to receive orders from OEM customers. Presently, the company has adjusted the strategy to train employees to be more multi-skilled and provided modern machines to increase efficiency in production, which was the combination of various production processes (Semi & Auto Machine) to reduce the risk from lack of craftsmen.

##### External Factors

Nowadays, the limitless world and many situations can lead to overall bad economic conditions of the country consecutively. For example:

COVID-19, of which there is always a risk of new variants which may spread around the country.

Strong or weak Thai baht from the economic situation in the country or in other countries, which might also affect Thailand.

Minimum wage increases by the government cause the company to bear the increased production and sales costs.

## 4.3 Showing the significant information from financial statement and financial ratio

## Financial Highlights

Unit: Million Baht

	<u>Consolidated financial statements</u>		
<u>Performance</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1. Total incomes	3,294.96	2,913.83	2,655.71
2. Incomes from sales and services	3,279.74	2,898.00	2,631.36
3. Gross profit	1,785.61	1,373.20	1,285.59
4. Operating profit	509.16	339.07	348.71
5. Net profit	413.25	276.81	294.19
<u>Financial Status</u>			
1. Total assets	3,017.91	2,803.94	2,703.31
2. Total liabilities	1,156.97	1,008.83	874.09
3. Total shareholder's equity	1,860.94	1,795.11	1,829.22
<u>Financial Ratio</u>			
<u>Liquidity Ratio</u>			
Current ratio (times)	2.33	2.54	3.02
Account receivable turnover (times)	8.00	7.10	6.55
Inventory turnover (times)	1.12	1.03	1.01
Account payable turnover (times)	8.46	10.96	10.51
<u>Profitability Ratio</u>			
Gross profit margin (%)	54.44	47.38	48.86
Net profitmargin (%)	12.54	9.50	11.08
Return on equity (%)	22.36	15.14	16.23
<u>Efficiency Ratio</u>			
Returns on assets (%)	14.71	9.51	10.68
<u>Financial Policy Ratio</u>			
Debt to equity ratio (times)	0.62	0.56	0.48

## 5. General information and other important information

**General Information**

Name:	: Sabina Public Company Limited
Nature of Business	: Manufacture and sale of ladies lingerie
Head Office	: 177, Moo 8, Wang Kai Tuen Sub-District, Han Ka District, Chainat Province
Registration No.	:0107550000068
Home Page	: <a href="http://www.sabina.co.th">www.sabina.co.th</a>
Telephone	:056-437156-8, 02-4229400
Fax	:056-437159, 02-4345911
- First Branch	: 12 Arun Amarin Road, Arun Amarin Sub-District , Bangkok Noi District, Bangkok 10700
Telephone	:02-4229400
Fax	:02-4345911
- Second Branch	: 30/5 ,Moo 12, Phutmonthon V, Rai King Sub-District, Samphan District, Nakhonpathom Province
Telephone	: 02-8118220-31
Fax	:02-8118081
- Third Branch	: 236 , Moo 10, Du Thung Sub-District, Muang District, Yasothon Province
Telephone	:045-737351-3
Fax	: 045-737356
- Fourth Branch	: 81, 106 Moo 6, Nong Bot Sub District, Nangrong District, Burirum Province
Telephone	: 044-657107, 044-657210
Fax	: 044-657207
Investor Relations	: <a href="mailto:ir@sabina.co.th">ir@sabina.co.th</a>
Registered Capital	: 347,500,000 baht
Paid Up Capital	: 347,500,000 baht
Ordinary Shares	: 347,500,000 Shares
Par Value	: 1 baht
Securities Registrar	: The Thailand Securities Depository Co., Ltd. (TSD)
Address	: 93 Ratchadaphisek Road, Dindaeng,Dindaeng Bangkok 10400
Telephone	: 02-009-9999



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Auditor	: Mrs. Natsarak Sarojpanjin    or Mr. Chaityuth Aunsuwittya    or Ms.Daranee Somkumnerd    or Ms.Jarunee Naummea    or Mr.Siramet Aukkarachotikulhun    or Ms.Yaowaluk Somprasert CPA License No.4563, 3885, 5007, 5596, 11821 and 11902
Address	: A.M.T. Associate Office 491/27 Silom Plaza, Silom Road, Bang Rak, Bangkok 10500
Telephone	: 02-2341676, 02-2341678, 02-2372132
Fax	: 02-2372133

**For more information**      Investors can find additional information about issued asset of the companies from List of Annual Report (56-1) from the website [www.set.or.th](http://www.set.or.th) or [www.sabina.co.th](http://www.sabina.co.th)

### 5.3 Political Dispute

- None –

### 5.4 Minor Market

- None –

### 5.5 Regularly Contacted Financial Institute (in case the company issues bonds)

- None -

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## Part 2

### Corporate Governance

#### 6. Corporate Governance Policy

The Company has managed by believing to the principles of good corporate governance and continuously recognizing the importance and responsibility towards shareholders and stakeholders of the Company. As a result, in 2018, 2019, 2020 and 2021, the Company was evaluated by the Thai Institute of Directors Association (IOD) at "Excellent" level.

The Board of Directors attaches importance to compliance with the principles of good corporate governance to increase confidence for shareholders, investors and all parties involved, which requires a review of the corporate governance policy and the implementation of the policy at least once a year. The Company has disclosed the corporate governance policy on the website for external communication and disseminate for communication to employees in the organization to acknowledge the corporate governance of the Company, and to encourage employees to participate in the implementation of such policies.

In 2017, the Securities and Exchange Commission (SET) has issued the principles of good corporate governance for listed companies in 2017 (Corporate Governance Code: CG Code 2017) which has laid out the principles for the 8 main committees as follows.

1. To recognize the roles and responsibilities of the Board of Directors as the organization leader that creates value for the business sustainably.
2. To determine the objectives and main goals of the business that are going for sustainability.
3. To strengthen the Board of Directors efficiently.
4. To recruit and develop high-level executives and personnel management.
5. To promote innovation and be responsible to the business operations.
6. To ensure that there is an appropriate risk management system and internal control.
7. To maintain financial credibility and disclosure.
8. To support participation and communication with shareholders.

In order to allow the Board of Directors to follow the principles of good corporate governance for listed companies in 2017 to apply as appropriate for the operations of the Company as much as possible, and prescribing additional guidelines that the Company should proceed to improve to suit the situation of the Company. And, the Committee shall review the appropriateness of the CG Code to be applied at least once a year.

#### 6.1 Overview of Corporate Governance Policy and Practice Guidelines

##### Corporate Governance Policy

The Board of Directors realizes the importance of good corporate governance, which is announced by the Stock Exchange of Thailand (SET), in order to gain progress and the stability of the Company, and to increase confidence for shareholders, investors and all stakeholders as well as creating long-term value for the Company.

The Board of Directors, therefore, has established a policy on corporate governance to be a guideline for the directors, which should be used in corporate governance of the Company as follows.

1. To clearly define the scope of authority, duties and responsibilities of each committee and management according to the management structure of the Company.
2. To conduct business by disclosing accurate, transparent, complete information and reflecting the actual results of operations. There is an assessment and protection standard, and manage risks at the appropriate level.
3. To determine the balance of power in the operation process for transparency and examination.
4. To produce products with the best quality and to meet the needs and customer satisfaction as well as listening to comments and customer complaints to bring the best product development for customers.
5. To believe in the value of employees by training and development and to cultivate morality in creating a good consciousness, and to allow employees to progress with the Company.
6. To recognize and respect the rights of ownership of all shareholders with equality.
7. To act by taking responsibility towards shareholders, stakeholders and society and the environment.
8. To be anti-corruption and to prohibit bribery for the business interests of the Company, and do not violate intellectual property and respect for laws and human rights.

The Board of Directors recognizes the importance of business operations, understands the roles, duties and responsibilities of the Board of Directors with the Company and shareholders with a policy based on the Code of Best Practices, which applies for the directors of listed companies that follow the guidelines of the Stock Exchange of Thailand (SET). Also, it is for the Company to have good corporate governance and have an effective performance measurement system, which will help to promote the business to develop and grow at an appropriate level. This has guidelines for conducting corporate governance of the Company, which can be divided as follow.

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

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

The Board of Directors recognizes the importance of respecting the rights of ownership of all shareholders by treating all shareholders equally.

Every shareholder has the rights and equality as follows.

1. The right to receive information, performance and the Company's management policy quickly and in time through the Stock Exchange of Thailand and the Company's website at [www.sabina.co.th](http://www.sabina.co.th).
2. The right to buy and transfer shares, and to obtain a share from the Company's profits.
3. The right to propose matters to be included in the agenda of the general meeting of shareholders and to nominate persons to be considered as directors, which the Company has made the

criteria for proposing such matters to be published on the website of the Company at [www.sabina.co.th](http://www.sabina.co.th) and notified via the Stock Exchange of Thailand (SET).

4. The right to send questions to inquire about various issues of the agenda presented at the general meeting of shareholders in advance by sending questions to the Company secretary by email: [vaja@sabina.co.th](mailto:vaja@sabina.co.th) Fax: 02-4345911 and published such rights on the Company's website at [www.sabina.co.th](http://www.sabina.co.th).

5. The right to attend the shareholders' meeting. The Company will hold a shareholder meeting once a year by sending a notice of the meeting together with related documents for the meeting with sufficient details for the shareholders in advance to allow the shareholders to consider in advance before attending the meeting.

6. The Company has a policy to promote and facilitate shareholders to allow shareholders and institutional investors to attend the meeting by arranging a meeting location, which is easy and convenient for the shareholders to travel and has public transportation systems that are accessible and sufficient.

7. The Company discloses the shareholding structure in the Company and subsidiaries clearly and transparently, and can be examined. There is no cross shareholding in the Company group.

8. The Company has more than 40% of the minority shareholders (Free Float).

9. The Company holds more than 5% of the total shares of institutional investors.

10. The Company does not have a shareholder's agreement that has a significant impact on the Company or other shareholders.

11. The Company has also added a channel to publicize the invitation to the shareholders' meeting, supporting documents for the meeting agenda including the proxy form and other information necessary in both Thai and English in advance on the Company's website [www.sabina.co.th](http://www.sabina.co.th) before submitting the documents to shareholders as to acknowledge and to support decision making in voting. The minutes of the shareholders' meeting are published via the Company's website.

12. To represent their rights, shareholders can appoint proxies to other persons or independent directors of the Company to vote in the event that the shareholders are unable to attend the meeting by themselves.

13. The Company has facilitated all shareholders equally this includes institutional investors to attend the shareholders' meeting by explaining the details of the meeting including how to count the votes of shareholders who have to vote in each agenda according to the Company's regulations, and allow all attendees to inquire comments and suggestions for each agenda, and summarize the results of the votes from every vote count.

14. The Company arranges for the broadcasting of the minutes of the meeting via the Company's website, so that shareholders can check without waiting for the next meeting.

15. The right to be treated equally in the repurchase of shares, and allow shareholders to be able to communicate with each other.

## 2. Shareholder meeting

The Board of Directors gives importance to shareholders' meetings by holding the annual general meeting of shareholders once a year within 4 months from the end of the accounting period of the Company. It is considered as a duty of the Board of Directors that must attend every meeting if not attached to important missions. By organizing the meeting, the Company will send the meeting invitation letter, proxy form, along with information for meeting based on various agendas. Shareholders should receive complete notice at least 14 days before the meeting date for shareholders to make decisions on voting in various agendas. In case, the shareholder wishes to appoint another person to attend the meeting, he/she can choose to appoint a person, or independent directors of the Company can attend the meeting instead.

- 2.1 The Company has a policy to support or promote every group of shareholders including institutional shareholders to attend the shareholders' meeting.
- 2.2 The Company provides a website to present important information and news, such as annual and quarter financial statements report, annual information form (Form 56-1), annual report (Form 56-2), including invitation letter for the shareholders' meeting which contains information, date, time, venue, agenda of the meeting, information for each agenda decision, rules that are used in the meeting, and voting procedures which is the same information that is delivered to shareholders in the form of documents by disseminating information via the Company's website at least 30 days before the meeting as to allow shareholders to have sufficient time to study the information.
- 2.3 The Company arranges for the shareholders' meeting by facilitating the meeting location to be in the heart of the city for convenient travel and sufficient time to conduct the meeting.
- 2.4 The Company has given the opportunity and offered the rights to the shareholders to propose the agenda of the shareholders' meeting on matters that are considered important, and to propose a list of qualified candidates to be appointed as new directors in advance with clearly defined procedures via the Company's website.
- 2.5 The Company gives the right to shareholders to submit questions about the meeting agenda at least 1 month before the meeting date through the Company website.
- 2.6 The Company has encouraged shareholders to use proxy forms that shareholders can determine the voting direction, and the nomination of at least 1 independent director as an alternative to the proxy of the shareholders.
- 2.7 The Company gives rights to the shareholders, who attended the meeting after the meeting started to have the right to vote on the agenda being considered and have not yet voted.
- 2.8 The Company has appointed representatives from the audit office to inspect the counting of votes in the shareholders' meeting, and disclosed in the meeting minutes of the shareholders.

In the past year, the Company has not bought back shares and there has been no agreement between shareholders that has a significant impact on the Company or other shareholders, and has not prevented or created obstacles for shareholders to communicate between each other.

### 3. Sending invitation letters to shareholders in advance

3.1 The Company has given the authority to Thailand Securities Depository Co., Ltd. (TSD), which is the registrar of the Company share, to invite and to send the invitation letter to the shareholders 21 days prior to the meeting date. Nevertheless, such information, which is the same information that the Company sent to shareholders and used in the meeting via the Company's website. [www.sabina.co.th](http://www.sabina.co.th) at least 30 days before the meeting date, has been published to allow shareholders to have enough time to study the meeting's information in advance. This includes a daily newspaper announcement for at least 3 consecutive days and at least 20 days before the meeting date to inform shareholders of the meeting.

3.2 The invitation letter contains sufficient and complete information for the meeting with details, date, time, place, agenda, and it clearly states that the matter is for acknowledgment or consideration. There are documents supporting various agenda, objectives and reasons, along with the opinions of the Board of Directors, the Company's regulations regarding to shareholders' meetings, map showing meeting locations and details of documents that shareholders must present on the date of the shareholders' meeting with information, which is complete and sufficient for shareholders to make decisions on voting in each agenda and how to attend the meeting and to facilitate communication for foreign shareholders. The Company has also prepared documents related to the shareholders' meeting in English.

3.3 The Company has prepared the meeting agenda information in the invitation to the meeting completely in order to help shareholders make decisions, which the Company considers the rights of shareholders, promotes the exercise of rights by presenting important matters to shareholders for approval and contains important matters in full according to the law, the stock market's requirements, and the Company's regulations. Important agendas are:

- **Agenda for dividend:** The Company has provided details about the dividend policy, dividend rate proposed with related information, specify the date for determining the list of eligible persons to receive dividends and the closing date of the share transfer book, and the date of dividend payment.
- **Agenda for the appointment of directors:** The Company provides opportunities for shareholders to select directors individually with detailed information, name-surname, age, education, career history, number of companies that serve as directors by separating into a listed Company and general companies, criteria and methods of nomination, types of directors proposed meeting attendance data in the past year, number of years in office in order to give shareholders the opportunity to truly elected directors.

- **Remuneration package for the Company's directors:** Details concerning the policy and criteria in considering the directors' remuneration are provided and the remuneration budget is allocated, with the facilitation of the Nomination and Remuneration Committee to propose to the Shareholders' Meeting for an approval.
- **Agenda for the appointment of auditors And determine the amount of exam fees:** The Company has provided details about the name of the auditor, audit office's experience, competency of the auditor, independence, remuneration for the year of the audit (In case of the same auditor), and how to consider the audit fee which has been considered by the Audit Committee.

#### 4. Operation on the day of the shareholders' meeting

4.1 Before the meeting of shareholders, the chairman of the meeting will introduce the board of directors, various sub-committees, executives, auditors and legal advisors to the meeting for acknowledgment and clarifying rules that are used in the meeting including the procedure for voting and in the event that any shareholder comes after the meeting has started. The Company also gives the right to vote in the remaining agenda that has not been considered and voted, which is counted as a quorum.

4.2 The Company has applied the technology to register shareholders, to vote counting and to display results to conduct the meeting quickly and accurately, and inform the voting method and vote counting for each agenda to shareholders before starting the meeting.

4.3 The Company has determined that the Board of Directors, Sub-committees, and executives to attend the shareholders' meeting, and allow shareholders to ask questions or give opinions in the shareholders' meeting on various and related matters.

4.4 The Company uses ballots for every agenda for transparency and verification in the event of a dispute later.

4.5 The Company has provided the opportunity for shareholders to elect to vote for each director individually, and to allow shareholders to ask questions about the meeting agenda appropriately.

4.6 The Company avoids adding other agenda, which is not set in advance in the shareholders' meeting, because it is unfair to shareholders, who do not attend the meeting.

4.7 The Company has arranged for the vote counting inspectors in the shareholders' meeting, and disclosed in the meeting minutes of the shareholders.

#### 5. Operation after the shareholders' meeting

5.1 The Company has prepared the minutes of the shareholders' meeting by recording the clarification of the voting procedure and how to show the score to the meeting before the meeting started including the opportunity for shareholders to have equal rights in expressing opinions and asking questions. The Company has recorded the question or comments or suggestions of shareholders. Voting results for

each agenda that there are from shareholders who agreed, disagreed and abstained including recording the names of the directors attending the meeting and not attending the meeting in the minutes of the meeting and published on the Company's website both Thai and English.

5.2 The Company disclosed the resolutions of the shareholders' meeting together with the voting results on the next business day from the date of the shareholders' meeting by reporting the news through the Stock Exchange of Thailand and publishing it on the Company's website.

5.3 The Company has complied with the guidelines for assessing the quality of the shareholders' meeting (AGM Checklist) by preparing by the Thai Investors Association.

5.4 The Company has recorded the minutes correctly and completely so that the shareholders can examine by recording details of the Board of Directors and the Executives attending the meeting, voting method, vote counting, comments, questions of shareholders, explanation of the directors including the resolution of the meeting clearly, and reported to the Stock Exchange of Thailand (SET) within 14 days from the date of the shareholders' meeting, and published such reports on the Company's website. In addition, the images and sound of the shareholders' meeting are also published on the Company's website.

## **Section 2. Equitable treatment of shareholders**

The Company gives importance to shareholders and ensures that all shareholders are treated equally and fairly as follows:

### **1. Proposal of the agenda and nominate persons to be appointed as directors**

The Company gives shareholders the opportunity to propose additional agenda in advance and nominate persons to be elected as directors in advance according to the criteria set by the Company. It has been published through the Stock Exchange of Thailand (SET) and the Company's website before the meeting date on 28 October 2021 to 31 December 2021.

### **2. Proxy to attend the shareholders' meeting**

In the event that shareholders are not able to attend the meeting by themselves, the Company allows shareholders to appoint proxies to other persons, or the independent director of the Company can attend the meeting instead to protect their rights. The Company has informed details about the documents supporting the proxy, and clearly instructed the methods and procedures of the proxy, which the Company has sent along with the proxy form B. This is a way that shareholders can determine the voting direction. In case that shareholders are foreigners; the Company has delivered the English version of the invitation letter and the proxy form C to facilitate foreign shareholders as well as to view from the Company's website.

### **3. Determine the right to vote in the shareholders' meeting**

The Company gives shareholders the right to vote according to the number of shares held, with one share equal to one vote, and no shares that have special rights to restrict the rights of other shareholders.



#### 4. Each agenda's voting is done transparency

Voting cards are used in every agenda, and will collect ballots only if shareholders do not agree or abstain from voting except for the election of directors, which will collect ballots from all shareholders attending the meeting by using the barcode system for counting votes in each agenda.

#### 5. Prevention of the use of internal information of the Company and conflicts of interest

The Company has a policy and method to protect the Directors, Executives and Employees in seeking benefits from the use of internal information of the Company that has not been disclosed to the public for personal gain, including trading of the Company's securities as follows.

1. The Company has provided a firewall system to prevent those who come with harm to reach or destroy important information of the Company. In addition, there is an anti-virus system to prevent the virus from being released or destroying data.

2. The Company has established a security system to access employee information. Security in each software program is set the level of employees to access information.

3. The Company has determined the storage and prevention of the use of internal information of the Company in the labor contract, work regulations, Corporate Governance Policy, and working practices in not seeking benefits for themselves and related persons from any information or news of the Company that is still confidential and not yet disclosed to the public.

4. The Company will inform the management to receive the internal information and avoid or refrain from buying or selling the Company's securities during the 7 days before the financial statements are made public. If there is a trading during this period, the Company has punishment and will inform the punishment which starts from verbal warnings, written warning, temporary suspension and leaving work respectively, and the Company has corrective measurement by allowing such offender to return items. The profits from the trading of those shares will be donated to charity organizations.

5. The third parties, which participate in the examination, preparation or transactions related to information that may affect the price movement of the Company's securities, must have a confidentiality agreement with the Company until the information is disclosed to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

6. The Company has a non-complex shareholding structure, almost all related transactions are normal business transactions.

7. The Company complies with the law and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) regarding rules and procedures for connected transactions, rules for the acquisition, disposition of assets, etc.

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### Section 3. Role of stakeholders

#### 1. Rights of various groups of stakeholders

The Board of Directors selects the rights of various groups of stakeholders whether they are internal and external stakeholders, and has formulated a policy as a guideline in the Company's code of ethics for transparency and fairness, and ensured that the relevant legal rights of all stakeholders will be treated fairly. Therefore, it has set a policy to be a guideline for treating stakeholders in each group as well as considering the community, society and environment for sustainable development, anti-corruption, non-infringement of intellectual property or copyright and respect for human rights.

##### Shareholders

The Company is determined to develop the business of the Company to progress with knowledge, ability, honesty in order for the Company to be stable and able to generate sustainable and appropriate returns for shareholders while protecting the interests and take care of the Company's assets. This includes the performance report for all shareholders to acknowledge regularly, completely and accurately, and eliminate conflicts of interest carefully logically, and have a regular dividend payment policy.

##### Customers

The Company intends and strives to create satisfaction and confidence in the quality of products for customers by innovation, and continually adds value to products and services to meet the needs of customers of all ages as well as paying attention and performing fairly to customers' complaints through the Company's sales staff, which is based on the counter of products sold at leading stores, department stores nationwide.

##### Personnel

Employees are valuable resources and are the key to bringing the organization to success. The Company, therefore, treats employees by focusing on training and developing the knowledge and competency of the employees thoroughly while creating stability in the profession and providing opportunities for progress according to each person's potential. This includes allowing employees to participate in determining the direction of operations and developing the Company, providing fair returns, which suit for knowledge, ability, responsibility, and the performance of each employee as well as maintaining the working environment with regards to safety for health, life and property of employees. The Company provides care for employees in safety and provides various benefits such as:

- First aid room
- Annual check-up
- Welfare products shop to help the employees' living
- Forms for employees
- Provident Fund or future savings
- Loan project when employees need emergency usage with a low interest rate
- Organizing training and seminars both inside and outside to develop employees

- Sending staff to study visits both domestically and internationally

#### **Partners or Creditors**

The Company gives importance to business partners or creditors who are important to the production cost of the Company. The Company has set the criteria for selecting and evaluating vendors as well in order to ensure that the seller has ability to respond to the quality requirements of the Company and the customer, different product materials and including the assessment of the seller as follows.

The criteria for selection of raw materials and general product materials are as follows.

1. Delivery time 2. Price of the product 3. Minimum order quantity 4. System for checking each product according to the specified standard. 5. Payment terms 6. Production period 7. Production capacity 8. Delivery frequency

The criteria for selection for raw material, which is used in production, and the employment of equipment, which is used in production are as follows.

1. Product quality 2. Time to solve problems 3. The amount sent regards to the purchase order 4. Deliver the goods at the specified time. 5. Payment terms 6. Document delivery system (only for overseas sellers), which the Company has provided a form to select the seller and arrange for a seller assessment at least 2 times a year.

The Company will maintain and comply with various trade agreement terms with partners and strictly creditors, and not calling or accepting property or any other benefit that is dishonest in the trade. The Company will create a good relationship and understanding including exchanging knowledge and jointly developing products and services to add value to products and services. If in the case of non-compliance with the agreed conditions, the Company will inform the creditors in advance in order to find ways to consider further solutions.

The company has a policy to recommend customers to join the Anti-Corruption project.

In the year 2019, the company persuaded business partners to attend the meeting and listen to details about the CAC FOR SME project. There were 48 business partners interested in attending the meeting. The company invited Rattana Banangkun, the CAC, CAC FOR SME project director, to provide information about the project details on 4 July 2019 at Meeting Room 702, Arun Amarin Headquarters Building.

#### **Society and Environment**

The Company operates its business with regards to the impact on natural resources and the environment, consciousness cultivation, responsibility to the community and society in the Company continuously. This includes supporting activities that are beneficial to the community and major society. The Company does not take any action or to support illegal actions or to cause harm to the country and / or to society and national security by setting policies and activities that relate to social responsibility (as per Article 5. Responsibility Environmental, Social and Governance (ESG) topic in Attachment 6 Sustainability Report).

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### Competitors

The company complies with the rules of fair competition. It does not seek confidential information of competitors through inappropriate methods, or that of against any law. There are guidelines for the following practices

1. Conducting within the framework of good competition.
2. Not trying to damage the reputation of competitors by accusing them without the truth
3. Not seeking confidential information of competitors with dishonest or inappropriate methods such as paying stipend to employees of competitors.
4. Supporting and promoting free Fair trade, not monopolization or requiring customers of the company to trade with the company only
5. Supporting cooperation with competitors that are beneficial to consumers, not for monopolization of revenue allocation and market share, reducing product and service quality, setting prices for product and service which will cause a negative effect on consumers as a whole.

In 2021, the company conducted an impact assessment and provided care to stakeholders with impact mitigation.

1. The company conducted an impact assessment and provided mitigation and / or benefits to employees and their families as follows:
    - 1) The company did not have a policy to lay off employees and no reduction in employees' salaries, as well as still provided usual welfare.
    - 2) There was a fund for employees to borrow without interest.
    - 3) Working time was reduced and Work From Home was offered to decrease the congestion of workplaces and travel. In addition, meetings were held online to keep employees safe from the COVID-19 epidemic.
    - 4) The company provided care for the Employees' hygiene by providing hand sanitizers. Also, all of them had to wear face masks, lunch time was adjusted to begin earlier to keep them safe from going out to eat during peak hours.
  2. The company conducted an impact assessment and provided mitigation and / or benefits for customers.
    - 1) There was a delay in paying debts for customers who got affected.
    - 2) There was an extension of debt payment for OEM customers and retail stores in the provinces in order to increase liquidity for them.
  3. The company conducted an impact assessment and provided mitigation and / or benefits) for partners.
    - 1) Payments were made on time. There was no deferral of payments.
-

4. The company conducted an impact assessment and provided mitigation and / or benefits) for shareholders.

- 1) The Opportunity Day was organized via online channels to communicate with investors and to build shareholders' confidence by providing information of the company's current status.

## **2. Non-infringement of intellectual property or copyright**

The Company has a policy and guideline regarding non-infringement of intellectual property or copyright by requiring all directors, executives and employees of the Company and subsidiaries to comply with the business code of conduct regarding intellectual property or copyright by protecting the intellectual property of the Company from being violated and avoiding the violation of other people's intellectual property.

The Company has never been reported any complaints about intellectual property or copyright violations.

## **3. Anti-corruption and bribery for business benefits**

The Board of Directors has a policy for anti-corruption and the Company has signed a declaration of intention in the Private Sector Collective Action Coalition against Corruption Project. The Company also determines all directors, executives and employees of the Company and its subsidiaries to comply with the Anti-corruption policy by setting policies that focus on cultivating awareness among employees and executives at all levels to recognize the disadvantages of corruption and creating good values. This is to develop the organization to be accurate, transparent, and efficiently monitored without causing any risk of damage to the business. This includes clearly defining policies relating to corruption, therefore, in order to prevent such problems and strictly comply with relevant laws. the Company has determined the executive directors and employees of the Company, and every subsidiary to comply with the anti-corruption policy as follows.

- To focus on cultivating awareness among employees and executives at all levels realizing the disadvantage of corruption. This includes creating good values in order to develop the organization to be accurate, transparent, and efficiently monitored.
- To requires the directors and all employees must comply with the anti-corruption policy without being involved in corruption whether directly or indirectly for the benefits of both the Company and the family, friends and acquaintances.
- To create an internal control system prevents corruption, which result in transparency and good corporate governance, to be physically created and examined.
- The Company has measures to protect the complainant in reporting complaints and complaints by keeping the information received from the complainant in secret and considering the safety of the complainant important, which will be protected from unfair practices.

- Corruption is a violation of the business ethics of the Company, which will be subject to disciplinary action according to the regulations set by the Company if the action is illegal.
- The Company recognizes the importance of communication and public relations to create knowledge and to understand the directors, employees and related parties in matters that must be complied with anti-corruption policy.

In this regard, the policy determination, practice, including the creation of internal control systems to prevent corruption will result in transparency and good corporate governance. This can be examined by the said policy as a measure against corruption that may occur. This includes finding suitable solutions and sets up channel for clues or complaints to the Company's audit department and the independent directors of the Company, which the Company has published such policies on the Company website [www.sabina.co.th](http://www.sabina.co.th) (as per Article 5.Responsibility Environmental, Social and Governace (ESG) topic in Attachmet 6 Sustainability Report).

#### 4. Communication channels

The Company has channels for stakeholders, which can send suggestions, comments or questions including complaints to the Company via the Company's secretary. E-mail address: [vaja@sabina.co.th](mailto:vaja@sabina.co.th) or investor relations department is Mr.Somkid Pradungkittisak E-mail address: [ir@sabina.co.th](mailto:ir@sabina.co.th) Telephone: 02-4229400 Postal address: Sabina Public Company Limited 12 Arun-amarin Rd., Arun-amarin, Bangkoknoi, Bangkok 10700.

In the case of an important issues or subjects that may cause damage to the Company, the secretary will present the matter to the board of directors of the Company.

#### 5. Measures for reporting clues, complaints and protection of complainants

The company provided opportunities for the company's personnel, related persons, and all groups of stakeholders to directly contact / complain about problems or matters to the Board of Directors. There were channels for reporting clues and complaints to guide the development and create sustainability for the organization as follows:

- Complaint recipients gather facts that related to violations or not complying following the Company's anti-corruption policy.
- Complaint recipients report the facts to the independent directors to investigate the facts to consider the complaint by identifying matters related to anti-corruption policies, dividing into political support, financial support and donations for charity, and receiving gifts, property or other benefits.
- The complaint recipients presented to the Anti-Corruption Commission for investigation of the facts with a period not exceeding 30 days from the date of receiving complaints, along with setting

measures for actions in order to stop the violation or non-compliance with the anti-corruption policy.

The Anti-Corruption committee would screen the information and send it to the company's Board of Directors for further considerations.

- The recipient of the complaint is responsible for reporting the investigation result to the complainant. If the complainant discloses himself in the case that is important. The recipient of the complaint reports the investigation result to the Chairman, and / or the Board of Directors to acknowledge.
- If the accused acting in real corruption is considered a violation of anti-corruption policy, he/she must be considered disciplinary punishment according to the Company's regulations. In case of violating the law, he/she must continue to receive legal penalties.

#### Channels for reporting complaints

- Internal Audit Department via e-mail : [GRP\\_AUDIT\\_HO@sabina.co.th](mailto:GRP_AUDIT_HO@sabina.co.th)
- Internal Audit Department via phone : 02-422-9400 dial 9309, 9404
- Internal Audit Department via mail : Internal Audit Department via phone
- Or report directly through the audit committee

Mail: Sabina Public Company (Limited)  
12 Arun Amarin Road Kwang Arun Amarin  
Ket Bangkoknoi Bangkok 10700

The general complaint will be collected by the secretary of the audit committee to report to the audit committee directly and the company will take further steps.

#### Protection of complainants

- Complainants can choose not to reveal themselves for security reasons/ However, if the complainants choose to reveal his/her identity, the company can report progress and explain facts to the complainant.
- The recipients of the complaint must confidentially keep the information and prioritize the safety of the complainant. By providing protection for the complainant and / or the person who provide the information and / or data verification cooperation, they will be protected from unfair practices, such as changing job positions, job characteristics, workplaces, work orders, intimidation, interference with employment, termination due to the cause of complaint, etc. General information will be kept confidentially only to the Chairman of the Executive Committee and / or the Audit Committee and to be confidentially and directly kept by the Board of Directors and the Audit Committee.

In addition, the company provides channels for clues reporting or complaints for any related personnel to file a complaint in the event of a violation of the law and the code of ethics of senior management. The violation of the company's business ethics includes the behavior that implies corruption and inequality, via the following methods

Mail: : Chairman of the Executive Committee or Chairman of the Audit Committee  
Sabina Public Company (Limited)  
12 Arun Amarin Road Kwang Arun Amarin Ket Bangkoknoi Bangkok 10700

The general complaint information will be confidentially kept only to the Chairman of the Executive Committee and / or the Audit Committee. The company will not disclose the information of the whistleblowers and treat them fairly. As for the misconduct of top management, the complaint will be collected directly by the audit committee and the company will take further steps.

In the past, the company has never had a history of violating labor laws, employment, consumers, competition and environment.

#### **Section 4. Information disclosure and transparency**

##### **1. Disclosure of Company information**

The Company has disclosed important information related to the Company both financial and non-financial, which may affect the interests or decisions of shareholders in the investment by providing sufficient information disclosure, complete and in time for the annual report, Management Discussion and Analysis Various, and press releases via the website of the stock exchange, and the Company's website [www.sabina.co.th](http://www.sabina.co.th) in both Thai and English.

##### **2. Financial report preparation**

To show responsibility for the preparation of financial reports, which refers to being complete, accurate, transparent and adequate, the Board of Directors, who is responsible for the consolidated financial statements of the Company and financial information appearing in the annual report to be prepared in accordance with accounting standards, uses appropriate accounting policies and consistently performing including the disclosure of important information in the notes to the financial statements. The Board of Directors has appointed an Audit Committee consisting of independent directors to take charge of the quality of financial reports and internal control systems.

3. The Company has disclosed the corporate governance policy, ethics of management, and of the Board of Directors of the Company Executives and employees in writing and published through the Company's website.

4. The Company has disclosed social and environmental care policy to promote and support the implementation of policies consistently and consistently. (as per Article 5. Responsibility Environmental, Social and Governance (ESG) topic in Attachmet 6 Sustainability Report).



5. The Company has disclosed the related transactions, which the Company has complied with the rules of the Securities and Exchange Commission of Thailand (SET) by disclosing details of the transaction by specifying the name of the person who has related transactions, relationship, nature of the transaction, conditions / policies, price and value between each other (Details in Section 9 Internal Control and Connected Transactions)
6. The Company has set a policy for the directors of the Company to report the purchase-sale of shares / hold the Company's securities to the Board of Directors in every meeting.
7. The Company has a policy for the Board of Directors to report the interest of the directors, and the executives must report to the Company every time when having their own interests and related persons within three months from the date of appointment or the date of change.
8. Remuneration for directors and executives

The company has a policy of remuneration for **Managing Director (CEO) / Board of Directors / Senior Executives**, which is clear, transparent from comparison with the Company in the same industry in order to be able to attract and retain knowledgeable directors. The remuneration of directors is proposed for approval from the shareholders' meeting every year.

For the executive's remuneration, the Board of Directors assigns the Nomination and Remuneration Committee, excluding the executive directors, to be responsible for determining, considering, and monitoring the remuneration structure of the Board of Directors, Managing Director (CEO of the company), Senior Executives, and executives, as well as monitoring the performance evaluation according to the specified criteria. This information is used to determine appropriate compensation in both the short term and long term, as well as communicate to the executives at all levels for acknowledgment. In this regard, all processes must be also carried out with employees at all levels.

#### Guidelines

##### Managing Director (CEO of the company)

The Managing Director's remuneration is considered annually according to the principles and policies set by the Nomination and Remuneration Committee. The remuneration is at a motivating level in accordance with suitability, scope of duties, responsibilities, and performance of the CEO, as well as the company's operating results and profitable growth in the past year, along with the overall economy, strategic objectives, and main goals of the organization. This is consistent with the long-term benefits of business when compared to other companies in the same industry and similar levels. The remuneration is proposed to the Board of Directors for considerations and approval, then proceeded by the management.

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### The Board of Directors

The company has the Nomination and Remuneration Committee to consider and determine the remuneration. The consideration was carried out with prudence, clarity, and transparency, as well as the suitability and compliance with scope, obligations, and responsibilities of directors when compared to other companies in the same industry and similar levels, including the business expansion and profitability of the company. The remuneration shall be high enough to attract and retain the directors with required qualifications. Also, it is proposed to the Board of Directors and the shareholders' meeting for approval.

The remuneration is allocated from the remaining balance after deducting the meeting allowances on average in accordance with positions and duties of the directors. Nonetheless, those higher responsibilities shall receive an increased remuneration that suits the obligations.

### Senior executives

The remuneration for senior executives is considered annually by the managing director. This is in accordance with the same principles and policies set forth by the Nomination and Remuneration Committee, just as the Managing Director (CEO of the company).

The executive compensation is according to the principles and policies set by the Executive Committee, which is linked to the Company's performance and the performance of each executive (The amount of remuneration of directors and executives disclosed in the management structure topic of remuneration for directors and executives).

### 9. Relationship with investors

The Board of Directors gives importance to the disclosure of both financial and non-financial information that is complete, adequate, transparent, timely and thorough. The Company has information disclosure, and news to shareholders, investors and related persons through the Company's website [www.sabina.co.th](http://www.sabina.co.th), so that the shareholders can access information easily and quickly, such as business operation information, financial statements, shareholding structure, organizational structure, annual report, invitation letter to the shareholders' meeting, news from the media and other necessary information.

In addition, the Company has established the Investor Relations Unit to provide information services and news of various activities of the Company with investors, shareholders, analysts and the public as well as answering questions from investors and related parties who can contact the Investor Relations Unit is Mr.Somkid Pradungkittisak by email [ir@sabina.co.th](mailto:ir@sabina.co.th) or Tel. 0-2422-9400.

For the past year, the Company has presented its performance, financial information and general information to analysts, investors and shareholders continuously by disclosing information through public media and the Company participated in various activities to be a channel for information disclosure making it

possible to meet and listen to the opinions of analysts, investors and shareholders directly to create good relationships and to provide information for investors' decisions through the following activities.

- Roadshow : 2 Times
- Opportunity Day : 4 Times
- Company Visit : 20 Times
- Newsletter performance Company's : 20 Times

And other activities, such as meeting with investors.

In the past, the Company has never had a history of being ordered to modify financial statements by Securities and Exchange Commission (SEC), including the disclosure of annual and quarterly financial statements to shareholders and investors within the time limit.

## Section 5. Responsibilities of the Board

The Board of Directors plays an important role in corporate governance for the best interest of the Company. The Board of Directors is responsible for the performance of duties to shareholders and is independent from the management.

### 5.1 Structure of the Board of Directors

The Board of Directors consists of 11 persons consisting of 7 non-executive directors (5 independent directors) with 2 independent female director and 4 executive directors

The Board of Directors has determined the structure of the Board of Directors to be composed of directors with diverse qualifications, which is a person with knowledge and ability, has useful experience with the Company and able to perform duties efficiently with morality and ethics that are accepted and trusted. The Company has a separation of duties and responsibility for the performance of the Board of Directors clearly.

The Board of Directors has been elected from the shareholders' meeting and has a certain term of office, which is in accordance with the Company's Articles of Association, that at every annual general meeting, the directors who hold the longest positions are the ones who retire and when the term has expired, the ones may be re-elected to be a director. There are no directors who hold directorship in more than 5 listed companies.

The Company has never had a director or a senior executive of the Company, who used to be an employee or partner of an external auditing Company that the Company has been using for the past 2 years.

In the Board of Directors, there is no executive director to serve as directors in more than 2 other listed companies.

In the Board of Directors, there is more than 1 non-executive director who has experience working in the Company's business.

- In the past, there was no record of misuse from the Board of Directors.
- In the past, the Company has no record of violating the regulations of SEC and SET.

#### 5.1.1 Other positions of directors and senior management

To allow the directors to devote time and effort to perform their duties, the Board of Directors has set a policy to limit the number of companies that each director will hold positions as follows.

1. The Board of Directors has a policy to hold the position of director at other listed companies of the Managing Director (CEO) for not more than 2 companies.

2. The Board of Directors has a policy to allow directors to hold directorship in other listed companies for no more than 5 companies but not defined as directors in companies that are not registered

3. In the event that one of the directors of the Company needs to hold the position of director of more than 5 listed companies, it is important to notify the shareholders and related parties for the reasons and the effects regards to the duties, which stated in the annual report (Form 56-1) and annual report (Form 56-2).

And in the past, the Board of Directors of the Company have not had any directors who serve as directors in more than 5 other listed companies yet.

#### 5.1.2 Balance of the Board

Board structure as of 31 December 2021 consists of 11 directors, with 4 executive directors and independent directors who meet the definition "Independent Director" of the Securities and Exchange Commission (SEC) And the Stock Exchange of Thailand (SET) for 5 persons and served as the Audit Committee of the Company for 4 persons

At every annual general meeting, the directors shall retire from position at the ration of 1:3 or close to 1:3 according to the Company's regulations, and once the term has expired, he or she may be re-elected to the position.

#### 5.1.3 Consolidation or separation of the position

The Company has segregated authority and authority by approving and the operation of the Company clearly according to the types of transaction by dividing into categories according to the line of work, including production units, accounting and finance departments, Human Resource unit, Sales agencies in the country and abroad, and others, which have been included in the authority approval and operation regulations No. 1/2006 dated 1 September 2006.

With different roles and obligations between the Chairman of the Board of Directors with the Managing Director, to clearly separate roles and duties which creates a balance in operating power. In addition, all directors are free to express their opinions regarding the Company's operations to supervise the operations of the management to be effective, transparent and able to be examined. However, the Chairman of the Board of Directors is not an independent director, but he performs his duties with independence, allowing the Board of Directors to freely perform their duties and express their opinions about the Company's operations and suggestions that are useful to the Company.

#### **5.1.4 Board of Directors' diversity policy**

The Board of Directors is aware of the benefits of business operations and therefore has specified the diversity of the Board and is seen as one factor in increasing the efficiency of business operations, decisions and the work of the board.

However, the diversity is not just limited to gender, but also age, educational background, professional experience, skills and knowledge. Therefore, the selection and appointment of the Company's directors will be based on knowledge, capability, and the selection criteria that have been considered for the benefits of diversity.

#### **Authority of the Chairman and Managing Director**

The Board of Directors has defined the duties and responsibilities of the Chairman of the Board of Directors, and the Managing Director is authorized to perform various tasks on behalf of the Company which can be summarized as follows.

#### **Authority and Responsibilities of the Chairman**

The Chairman of the Board of Directors has a duty to set policies and business plans, oversee the management of the management waiting for advice and help, but must not participate and do not interfere in the normal daily administration. In addition, the Chairman of the Board of Directors must have leadership to take care of the directors to not be under the influence of the management by acting as chairman of the meeting, both in the board meeting and fair meeting of shareholders, supporting and encouraging participants to exercise voting rights, and strictly complying with the principles of good corporate governance by having the composition, size and structure of the Board of Directors to create a balance between executive directors and independent directors. It arranges the participation of executive directors, Non-executive directors and independent directors in the activities and decision-making processes of the Board of Directors.

Providing assessment and work development of the Board of Directors regularly and aiming for collaboration among the directors and the performance of the directors.

#### **Authority and responsibility of the Managing Director**

The Managing Director is responsible for routine management in order to comply with the objectives, regulations, policies, regulations, orders and resolutions of the Board of Directors and / or resolutions of the Board of Directors and / or resolutions of the shareholders' meeting.

1. To provide a business policy, business plans and budgets for submission to the Board of Directors for approval and to be responsible for reporting the progress of the approved business plan as well as the budget approved by the Board of Directors according to the time period specified.

2. To manage the business operations of the Company to comply with the business policy of the Company, business plans and budgets to achieve financial objectives approved by the Board of Directors.

3. To set operational goals for resource allocation to comply with the management policy to ensure that the overall business growth of the Company is in line with the Company's objectives and business plans.

4. To determine, inspect and strengthen the standards of the organization to be strong, which is necessary for competition and creating value for the organization with continuous work with personnel and products.

5. To analyze the current situation and situations that may arise of global industrial conditions to anticipate future changes in the industry and change the Company's strategy.

6. To consider and approve the packing, appointment, transfer, dismissal, consideration of goodness, preference, discipline measures as well as determining remuneration and employee welfare and to establish standards for employee performance evaluation and review such standards on a regular basis. Such measures must not conflict with the authority of the Executive Committee.

7. To issue regulations on the operation of the Company which does not conflict with policies, regulations, regulations, orders and resolutions of the shareholders' meeting Board of Directors Meeting and the Executive Committee.

8. To approve the normal financial transactions of the Company

9. To have the power to delegate power and / or assigning other persons the power to perform specific duties as a delegation of authority and / or assign others must be under the scope of power and / or under internal regulations or orders received from the Board of Directors and / or the Company. The delegation of authority, duties and responsibilities of the managing director may not be possible in the case of approval of items that may have a conflict of interest ( According to the definition of the Securities and Exchange Commission or the announcement of the Capital Market Supervisory Board), which may have an interest or receive benefits in all forms or may have a conflict of interest with the Company or subsidiary unless such item in accordance with the policies and criteria approved by the shareholders 'meeting or the Board of Directors' meeting.

## 5.2 Sub-committee

The Board of Directors has established 4 sub-committees to monitor and supervise the operations closely and regularly report to the Board of Directors. The Board of Directors has defined the duties and responsibilities of each sub-committee as follows.

1. The Executive Committee is responsible for managing the business of the Company, providing suggestions and solving important problems and monitoring the performance of the Company, and subsidiaries to be effective in order to meet the goals, which are set.

2. The Audit Committee is obligated to inspect the credibility of the Company's financial reports and the internal control system, as well as consider the disclosure of inter-related transactions and make sure they are accurate, and provide constructive suggestions to the management on the topic of good governance.

3. The Nomination and Remuneration Committee is responsible for considering the criteria and the nomination process and determining the appropriate remuneration in accordance with the qualifications of other sub-committees and directors.

4. The Risk Management Committee has a duty to set rules and evaluation process including advising the overall risk of the Company.

### **5.3 Roles, duties and responsibilities of the Board of Directors**

The Board of Directors is responsible for performing duties in considering and giving opinions on important matters relating to the operations of the Company, following up and supervising the management, operating according to the policies and plans with efficiency and effectiveness, internal control and risk management including mechanisms for receiving complaints and proceeding in case of clues, ensuring long-term business continuity including employee development plans and the continuity of the management.

#### **5.3.1 Leadership and vision**

The Board of Directors is committed to running the business of the Company to progress and have stable growth to create the best return for shareholders; the Board of Directors will perform their duties with knowledge, ability, responsibility and careful management of the Company with full capacity by adhering to laws, rules and best practices about business operations, and to be in accordance with the objectives and goals set for the maximum benefit of the Company, shareholders and all stakeholders.

The Board of Directors assigned the Executive Committee to present the vision and mission, strategy, policy and budget to allow the Board of Directors to approve and to be as guideline for the Board of Directors to supervise, monitor and evaluate the performance in order to meet the goals and ways to increase value and wealth for the Company and shareholders. While also considering the interests of all stakeholders, and in the past year, the Board of Directors has approved and review the vision and the mission, and goals of the Company and give approval and follow up to the management to follow the plan in accordance with the direction laid down regularly.

The board has monitored the implementation of the company's strategy. In every quarter of the Board of Directors' meeting, the Board monitors the performance of the management by specifying a report on the results of operations and results of the company, especially in terms of financial goals and plans in order to be in accordance with the strategy set out.

The Board of Directors has considered the roles and responsibilities of the Board of Directors and the management of the Company by clearly dividing the structure and performance of duties. In this regard, the Company has prepared a letter of authorization to specify the clear scope of the management and has clearly defined the level of authority in each operation.

As to ensure the performance of the Board of Directors Achieve the objectives and scope of authority, duties and responsibilities assigned. The Company provides an orientation for new directors, which the Company has prepared and submitted useful information documents for the performance of new directors such as capital structure, shareholder structure, list and brief history of the board and senior management, business management with the past performance, and has encouraged training to provide knowledge on corporate governance of the Company including making a summary of business overview and past performance. As well as the Company's policies and regulations for new directors to study and understand with a manual for good practices for directors of listed companies as guidelines for working while holding positions as directors.

#### **5.3.2. Business ethics**

The Company is committed to conducting business by adhering to the principles of honesty, transparency, fairness and in accordance with the law. In order to increase confidence among shareholders, customers, business partners, competitors, employees and the society as a whole, the Company will control and monitor the use of personal interests and related parties by using internal information that has not been disclosed or that is confidential to be used or disclosed to a third party or any action that causes a conflict of interest.

In addition, the Company has also prepared a business ethics manual, and written practices and communicate to all directors, executives and employees to acknowledge and strictly adheres to and strictly complies with the regular follow-up of the manual.

The company has periodically tested all employees on the rules and operations, as well as Human Resource Policy Testing, through the company's internet systems to ensure that all employees have the knowledge and understanding of rules and regulations and are able to appropriately perform their duties. The result evaluates the level of knowledge and understanding of employees in order to improve communication for employees to have a thorough understanding and be aware of their duties in promoting good corporate governance of the organization. The company has improved and developed the test to comply with the ever-changing laws and regulations. It also requires the test taker who does not reach the specified criteria to study for additional knowledge and retake tests until passing the criteria. In addition to requiring current employees to take tests as part of their performance indicators, all employees who work during the year are also required to do the test in addition to attending the orientation. The test results are considered as part of an employee's performance in an Annual performance evaluation.

The Company has published the Code of Business Ethics on the Company's website under the heading "Corporate Governance".

In the past year, directors, executives and employees no offense found business ethics and Company Code of Conduct



### 5.3.3 Conflict of interest

The Board of Directors complies with the rules of the Securities and Exchange Commission (SEC) and of the Stock Exchange of Thailand (SET). The Board of Directors have clear guidelines for caring and eliminating conflicts of interest carefully with reasonableness.

In case there is a conflict of interest, the Company will disclose the information to the meeting by specifying the value of the transaction, the contract party, the reason of the necessity of such transaction with transparent information that can be checked. If any transaction must be approved by the Board of Directors and the shareholders' meeting, such transactions will be considered and screened by the Audit Committee first, and will give an opinion on the said transaction.

In addition, the Board of Directors also stipulates rules and regulations for directors, executives and related persons to report their own interests or related persons, which is a vested interest in the management of the business of the Company or subsidiary in order for the Company to have information for the implementation of the regulations regarding connected transactions through the meeting agenda of the Board of Directors every quarter

The Company has disclosed related party transactions with persons who may have conflicts in 2021. In addition, the Board of Directors has commented that all related transactions are reasonable and beneficial to the business operations of the Company in accordance Office requirements SEC (Details in Section 9 Internal Control and Connected Transactions)

### 5.3.4 Prevention of internal data usage

The Board of Directors prohibits the executives and staff members who are aware of the internal information to use such information that has not been disclosed to the public, especially if such information might affect the change of the Company's securities value, from buying or selling the Company's securities during the 7-day period before the financial statements are disclosed to the public. Failure to comply and using an undisclosed internal information to seek one's own benefits is held as disciplinary misconduct according to the Company's regulations. One should refrain from buying or selling the securities, or wait until investors are aware of the information at least 24 hours after the information disclosure. If the information is complicated, the waiting period shall be 48 hours after the information has been disclosed. Furthermore, if directors and executives buy or sell the Company's securities, one must notify the Securities and Exchange Commission, the Stock Exchange of Thailand and the Company every time.

In this regard, the Company has regulated that directors and top-level executives must notify the Board of Directors regarding their securities trading at least 1 day prior to making the transactions.

The Company has regulated that directors must disclose their securities trading or ownership of the Company's securities to the Board of Directors' meeting every time.

The Board of Directors has also reported the holding of securities of the directors, Executive directors and executives including the legitimate family of all directors have a duty to report securities holdings and changes in securities holdings to the Securities and Exchange Commission of Thailand (SEC).

### 5.3.5 Control system and internal audit

The Board of Directors gives importance to the internal control system, therefore, the Board of Directors has set up an internal control system that covers both financial management and operations to be effective and efficient. In accordance with relevant laws, regulations, and regulations, it can independently audit and fully balanced. In addition, the focus is on continuous development.

The Board of Directors has established an internal audit unit, which is responsible for monitoring the internal control system and risk management. By requiring the Internal Audit Department report, the audit reports the result directly to the Audit Committee on a quarterly basis for the Audit Committee to review that the Company has sufficient internal control systems.

### 5.4 The Board's Meetings

The Board of Directors has set a minimum meeting of not less than 6 times a year and may have additional special meeting as necessary. The meeting schedule has been set in advance annually and the meeting agenda has been clearly defined and submitted to the Board of Directors before the meeting date in advance sufficiently to allow the Board of Directors not less than 7 working days and to allow the Board to have time considering sufficient information.

In the meetings, the Chairman of the Board of Directors allowing all directors to freely express their opinions and in the meeting, it is to invite the relevant executives to attend the meeting to identify information or provide additional information as a person directly related to the problem in order to make decisions of the Board of Directors. In addition, there is a written record of the meeting, and storing certified minutes from the Board of Directors systematically which can be checked and referenced at any time. Moreover, in voting for each agenda of the Board of Directors' meeting, there must be no less than two-thirds of all directors.

### 5.5 Assessment of the annual performance of the Board

The Board of Directors has provided an annual performance evaluation of The Board of Directors, which is divided into as the board, individual and sub-committees. In this regard, the Company has assigned the Nomination and Remuneration Committee to be the representative in determining the criteria, and evaluating the Board of Directors and individual committees with the same assessment criteria. It is consistent with the self-assessment form of the Securities Commission including having been reviewed for consistency

Self-evaluation form for both the Board of Directors and individual directors, with assessment topics are divided into 4 main topics as follows:

1. Qualifications of directors
  2. Meeting attendance
  3. Roles, duties and responsibilities of the Board of Directors
  4. Other matters, such as the duties of the Board Relationship with management
- Self-development of the board and executive development

Individual self-evaluation form of the sub-committee of the individual Company is divided into 3 main topics as follows:

1. Structure and qualifications of sub-committees
2. Meetings of sub-committees
3. Roles, duties and responsibilities of sub-committees

The Company has a process for evaluating the Board of Directors, which the Company Secretary will send the assessment form to the directors to evaluate and return to the Company. The Company will not disclose the name of the appraisal director so that the directors are independent in the assessment results, and the Company has presented the evaluation results to the Board of Directors and individual committees to participate in the evaluation and evaluation of the performance of the directors.

**Evaluation method** Each committee will use the performance evaluation form to evaluate oneself, the entire Board of Directors and the sub-committee by using the method of identifying the opinions of each director by checking the rating box from 1-4.

Each committee will use the evaluation form for the entire Board of Directors and individual and sub-committee by using the method of identifying the opinions of each director by checking the rating box from 1-4.

Which has the following meanings: 1 = strongly disagree 2 = disagree 3 = agree 4 = strongly agree

The evaluation results of the Board of Directors, both individual and sub-committees for the year 2021 is very good

The Chairman of the Board of Directors and the Board of Directors have evaluated the performance of the managing director (CEO) by using the evaluation topics in accordance with the guidelines of the Stock Exchange of Thailand, consisting of the following topics:

1. Leadership
2. Strategy formulation
3. Strategy implementation
4. Financial planning and performance
5. Relationship with the board
6. Relations with external parties
7. Administration and relations with personnel
8. Succession
9. Knowledge of products and services
10. Personal features

The overall performance of the managing director for the year 2021 is included in the "excellent" criteria, with the company intending to evaluate the performance of the managing director on an annual basis in order to comply with good corporate governance principles

## 5.6 Development of the Board's continuous knowledge

5.6.1 The Board of Directors encourages and facilitates training and education for all Board members, management and employees to continuously improve operations.

The Company has encouraged directors to attend courses related to the performance of duties as directors such as courses organized by the Thai Institute of Directors Association (IOD) and other related institutions. In the year 2021, the directors attended the following courses.

Name	Position	Training
Mr.Somkid Pardungkiattisak	Director and Risk Management Committee	- TLCA CFO Professional DevelopmentProgram (TLCA CFO CPD) 2021

5.6.2 For new directors, the Company has an orientation for new directors, where the managing director of the relevant management will present information about the shareholding structure Organizational Structure, nature of the business, Company operating policy, Company regulations, financial information, information of affiliated companies, board meetings and other related information.

5.6.3 The Board of Directors has established a succession plan for the main positions by defining as part of the strategic plan for the succession of work and as a guideline for the development of executives as planned. This includes performing duties on behalf of the Managing Director or the executive cannot perform his/her duties.

The Nomination and Remuneration Committee prepares the succession plan for the Chairman of the Executive Committee / the Managing Director and the management of the Company by considering the importance of the business operation efficiently and continuously by having a plan to select personnel that will be responsible for important management positions at all levels to be appropriate and transparent, therefore, the criteria for selecting the successors for the job are as follow.

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1. Chairman of the Executive Committee / Managing Director

When the position is vacant or those who are unable to perform their duties, the Company will provide a system for management in a similar order acting in a vacant position until a qualified person is selected according to the criteria set by the Company.

2. Executive level from the deputy director level to the director

When the position is vacant or the person in the position cannot perform the duty, the Company has planned the succession of executive level with the following process. There will be analyzing the situation of the business and personnel to be linked with the policy and strategic of the Company to develop or recruit for those who are resigned by defining knowledge and ability and being a person with a vision, knowledge and ability suitable for the culture of the organization. It is to select and evaluate the work, and assess the potential of employees to consider suitability.

## 5.7 Details of changes in the holding of the Company's shares by the directors As of 31 December 2021

Rank	Name-Surname	Position	Amount of shares on December 31, 2020	Shares changing	Amount of shares on December 31, 2021	Shareholding ratio(%)
1	Mr. Viroj Thanalongkorn	Chairman	161,157,000	-	161,157,000	46.38
	Spouses and minor children		-	-	-	-
2	Mr. Bunchai Punturaumporn	Managing Director, Nomination and Remuneration Committee	688,000	-	688,000	0.20
	Spouses and minor children		-	-	-	-
3	Mrs. Suchanya Thanalongkorn	Managing Director	-	-	-	-
	Spouses and minor children		-	-	-	-
4	Mr. Somkid Padungkiattisak	Managing Director, Risk Management Committee	10,000	-	10,000	0.003
	Spouses and minor children		-	-	-	-
5	Ms. Duangdao Mahanavanont	Managing Director, Risk Management Committee	10,000	-	10,000	0.003
	Spouses and minor children		-	-	-	-
6	Ms. Vachirawan Yamsri	Managing Director, Risk Management Committee	35,000	-	35,000	0.01
	Spouses and minor children		-	-	-	-
7	Ms. Raweewan Peyayopanakul	Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee	-	-	-	-
	Spouses and minor children		-	-	-	-
8	Mr. Somchai Vanavit	Independent Director, Audit Committee, Chairman of Nomination and Remuneration Committee	-	-	-	-
	Spouses and minor children		-	-	-	-
9	Mr. Yuthana Adipath	Independent Director, Audit Committee, Nomination and Remuneration Committee	-	-	-	-
	Spouses and minor children		-	-	-	-
10	Mr. Chakkrit Uttayopas	Independent Director, Chairman of Risk Management Committee	-	-	-	-
	Spouses and minor children		-	-	-	-
11	Ms. Pensri Suteerasan	Independent Director, Audit Committee	-	-	-	-
	Spouses and minor children		-	-	-	-

## Details of changes in the holding of the Company's shares by the executives As of 31 December 2021

Rank	Name-Surname	Position	Amount of shares on December 31, 2020	Shares changing	Amount of shares on December 31, 2021	Shareholding ratio(%)
1.	Mr. Bunchai Punturaumporn	- Chief Executive Officer - Chief Operating Officer (Acting) - Chief Production Officer (Acting) - Director of International Sales (Acting) - Director of Human Resources (Acting)	688,000	-	688,000	0.20
	Spouses and minor children		-	-	-	-
2.	Mr.Somkid Pradungkittisak	- Chief Financial Officer - Director of Accounting and Finance (Acting) - Director of Information Technology (Acting)	10,000	-	10,000	0.003
	Spouses and minor children		-	-	-	-
3.	Ms.Pitcha Thanalongkorn	- Chief Marketing Officer	10,501,000	-	10,501,000	3.02
	Spouses and minor children		-	-	-	-
4.	Ms.Duangdao Mahanavanont	- Chief Commercial Officer	10,000	-	10,000	0.003
	Spouses and minor children		-	-	-	-
5.	Ms.Vachirawan Yamsri	- Director of Production and Production Engineering - Director of Procurement and Production (Acting)	35,000	-	35,000	0.01
	Spouses and minor children		-	-	-	-
6.	Mr.Vinai Panachaveag	- Director of Domestic Sales	-	-	-	-
	Spouses and minor children		-	-	-	-

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**6.2 Business Ethics**

Sabina Public Company Limited, a manufacturer and distributor of women's lingerie, is committed to conducting business with honesty, transparency to all stakeholders of the Company, including shareholders, employees, customers, business partners and / or creditors, including society and environment. The Company established a code of conduct for various responsibilities and these codes of conduct are transferred to employees at all levels of the Company as a guideline for ethical business conduct, including as a guideline for directors, executives, and employees to adhere to and to carry out their duties correctly and appropriately. (Can see more details about the Code of Business Conduct on the Company's Investor Relations website under the topic good corporate governance and Attachment 5 Full version of policies and guidelines for corporate governance and the code of business conduct that the Company has prepared)

**6.3 Significant Changes and Developments in Corporate Governance Policies, Practices, and Systems in the Past Years****6.3.1 Describe Information on Significant Changes and Development in Corporate Governance in Policy Review at Least Once a Year**

The Board of Directors recognizes the importance of business operations, understands the roles, duties and responsibilities of the Board of Directors with the Company and shareholders with a policy based on the Code of Best Practices, which applies for the directors of listed companies that follow the guidelines of the Stock Exchange of Thailand (SET). Also, it is for the Company to have good corporate governance and have an effective performance measurement system, which will help to promote the business to develop and grow at an appropriate level. This has guidelines for conducting corporate governance of the Company, which can be divided as follow.(Can see more details about the Code of Business Conduct on the Company's Investor Relations website under the topic good corporate governance and Attachment 5 Full version of policies and guidelines for corporate governance and the code of business conduct that the Company has prepared)



### 6.3.2 In Case the Company has not yet Implemented the Good Corporate Governance Principles for Listed Companies

#### Practice of corporate governance in other areas

Board of Directors adapted and translated CG Code into practices based on its business context.

Principles of CG Code that the company has not been able to put to practices include the followings:

Principles that have not yet practiced	Reasons
1. Board of Directors limits the term for independent directors at 9 years.	Board of Directors has not yet limited the term of independent directors because independent directors still perform their duties with independence and free of influence from the company's executive and major shareholders, and with no personal interests that may conflict with the company's benefit.
2. Board of Directors does not have an independent director with more than 9 years of experience as a director	Board of Directors has three independent directors who serve more than 9 years of directorship. Such independent directors are fully qualified, according to the definition of independent director, are knowledgeable and experienced in the needed fields and have suitably performed the roles of independent directors.
3. Chairman of the Board is an independent director	Board of Directors appointed non-executive director to be Chairman of the Board, considering the fact that he is knowledgeable and experienced in the business of the company. Although Chairman of the Board is not an independent director, he performs his duties independently and allows each director to freely express opinion and give suggestions which are beneficial to the organization.
4. The company should consider appointing CG Committee	Although the company has not appointed CG Committee at the moment, the Board of Directors regularly performs corporate governance duties according to the scope of duties determined in Director Charter.

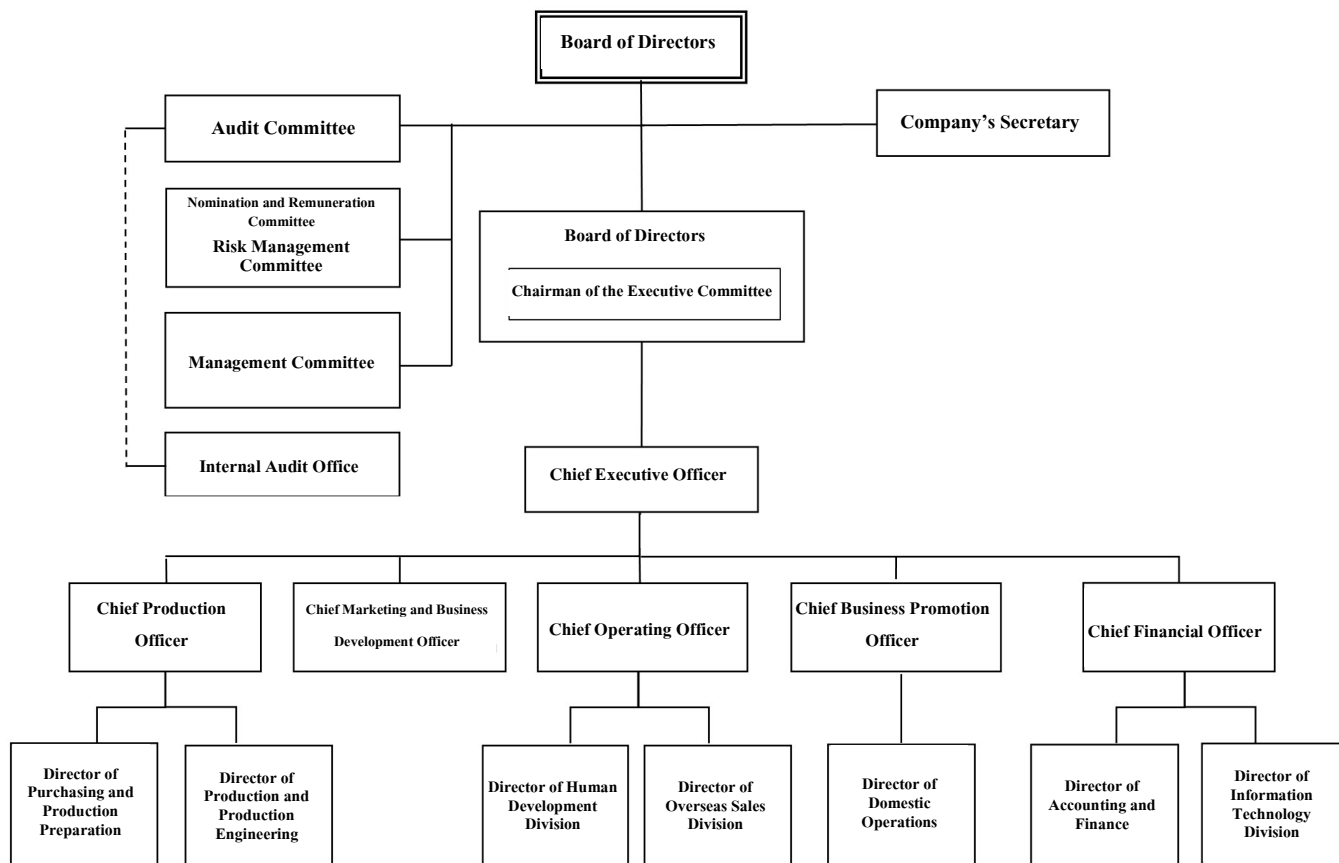
### 6.3.3 The Company may Disclose Information on Other Matters in Accordance with Good Corporate Governance

#### Principles to Support Various Assessments

(CGR Checklist, ASEAN CG Scorecard, AGM Checklist, etc.)

## 7. Corporate Governance Structure and Important Information About the Board , Sub-committees, Executives, Employees and Others

### 7.1 Corporate Governance Structure



## 7.2 Information about the Board of Directors

### 7.2.1 Composition of the Board of Directors and the Total Number of Directors

### 7.2.2 Information of the Board of Directors by Specifying the Names of Each Committee

In present, the Board of Directors consists of 11 committees;

- Non-managerial committees: 7 people (Independent committees: 5 people)

- Managerial committees: 4 people

Name	Company's Committee	Audit Committee	Managing Director	The nomination and remuneration Committee	Risk Management Committee
1. Mr. Viroj Thanalongkorn	Chairman	-	-	-	-
2. Mr. Bunchai Punturaumporn*	Managing Director	-	Chairman	Committee	-
3. Mrs. Suchanya Thanalongkorn	Committee	-	-	-	-
4. Mr. Somkid Padungkiattisak *	Committee	-	Committee	-	Committee
5. Ms. Duangdao Mahanavanont*	Committee	-	Committee	-	Committee
6. Ms. Vachirawan Yamsri	Committee	-	Committee	-	Committee
7. Ms. Raweewan Peyayopanakul	Independent Director	Chairman	-	Committee	-
8. Mr. Somchai Vanavit	Independent Director	Committee	-	Chairman	-
9. Mr. Yuthana Adipath	Independent Director	Committee	-	Committee	-
10. Mr. ChakkritUttayopas	Independent Director	-	-	-	Chairman
11. Ms. Pensri Suteerasan	Independent Director	Committee	-	-	-

\* Also has a position as a director of a subsidiary

Remark Information of the directors about education, training history from the Thai Institute of Directors Association (IOD) and key experiences related to the business of the Company can be seen in Attachment 1.

### Authorized Directors

The authorized directors for any company decision are “Mr. Viroj Thanalongkorn, Mr. Bunchai Punturaumporn, Mr. Somkid Pardungkiattisak, and Miss Dungdao Mahanavanont, any two of them may jointly sign their names and affix the corporate seal to legally bind the Company.”

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### **7.2.3 Roles and Duties of the Board of Directors**

#### **Authority of the Chairman and Managing Director**

The Board of Directors has defined the duties and responsibilities of the Chairman of the Board of Directors, and the Managing Director is authorized to perform various tasks on behalf of the Company which can be summarized as follows.

#### **Authority and Responsibilities of the Chairman**

The Chairman of the Board of Directors has a duty to set policies and business plans, oversee the management of the management waiting for advice and help, but must not participate and do not interfere in the normal daily administration. In addition, the Chairman of the Board of Directors must have leadership to take care of the directors to not be under the influence of the management by acting as chairman of the meeting, both in the board meeting and fair meeting of shareholders, supporting and encouraging participants to exercise voting rights, and strictly complying with the principles of good corporate governance by having the composition, size and structure of the Board of Directors to create a balance between executive directors and independent directors. It arranges the participation of executive directors, Non-executive directors and independent directors in the activities and decision-making processes of the Board of Directors.

Organize the participation of Executive directors, non-executive directors, and independent directors in various activities and decision-making process of Board of Directors

Providing assessment and work development of the Board of Directors regularly and aiming for collaboration among the directors and the performance of the directors.

#### **Authority and responsibility of the Managing Director**

The Managing Director is responsible for routine management in order to comply with the objectives, regulations, policies, regulations, orders and resolutions of the Board of Directors and / or resolutions of the Board of Directors and / or resolutions of the shareholders' meeting.

1. To provide a business policy, business plans and budgets for submission to the Board of Directors for approval and to be responsible for reporting the progress of the approved business plan as well as the budget approved by the Board of Directors according to the time period specified.

2. To manage the business operations of the Company to comply with the business policy of the Company, business plans and budgets to achieve financial objectives approved by the Board of Directors.

3. To set operational goals for resource allocation to comply with the management policy to ensure that the overall business growth of the Company is in line with the Company's objectives and business plans.

4. To determine, inspect and strengthen the standards of the organization to be strong, which is necessary for competition and creating value for the organization with continuous work with personnel and products.

5. To analyze the current situation and situations that may arise of global industrial conditions to anticipate future changes in the industry and change the Company's strategy.

6. To consider and approve the packing, appointment, transfer, dismissal, consideration of goodness, preference, discipline measures as well as determining remuneration and employee welfare and to establish standards for employee performance evaluation and review such standards on a regular basis. Such measures must not conflict with the authority of the Executive Committee.

7. To issue regulations on the operation of the Company which does not conflict with policies, regulations, regulations, orders and resolutions of the shareholders' meeting Board of Directors Meeting and the Executive Committee.

8. To approve the normal financial transactions of the Company

9. To have the power to delegate power and / or assigning other persons the power to perform specific duties as a delegation of authority and / or assign others must be under the scope of power and / or under internal regulations or orders received from the Board of Directors and / or the Company. The delegation of authority, duties and responsibilities of the managing director may not be possible in the case of approval of items that may have a conflict of interest (According to the definition of the Securities and Exchange Commission or the announcement of the Capital Market Supervisory Board), which may have an interest or receive benefits in all forms or may have a conflict of interest with the Company or subsidiary unless such item in accordance with the policies and criteria approved by the shareholders 'meeting or the Board of Directors' meeting.

### **7.3 Information about the Sub-Committees**

#### **Sub-committee**

The Board of Directors has set up various committees that have the appropriate expertise in each area to be responsible for the work and help increase the work efficiency of the Board, which consists of the Audit Committee, Executive Committee, Nomination Committee, and Remuneration Committee and the Risk Management Committee by the composition and duties of various committees. The details are as follows.

### Audit Committee

The Audit Committee consists of 4 independent directors, whose have full qualifications according to the SEC's regulations, with a 2-year term.

There are 4 members of the Audit Committee.

Name	Title
Ms. Rawewan Peyayopanakul	Chairman of Audit Committee
Mr. Yuthana Adipath	Member of Audit Committee
Mr. Somchai Vanavit	Member of Audit Committee
Ms. Pensri Suteerasan	Member of Audit Committee

\* Remark : The 4 Audit Committee members are knowledgeable and have experience in reviewing the financial statements of the Company by Miss Rawewan Peyayopanakul, Chairman of the Audit Committee. She graduated Master of Business Administration, Major in Accounting, Michigan State University, USA (Details of education history and work experience of the Audit Committee are in Attachment 1, details about directors, executives, controlling persons and Company secretary)

### Scope of duties and responsibilities of the Audit Committee

1. To review and to ensure that the Company has accurate financial reporting and sufficient information is disclosed by coordinating with independent auditors and responsible executives, and preparing quarterly and annual financial reports. The Audit Committee may suggest the independent auditor to review or examine any transactions that are deemed necessary and important during the audit of the Company's accounts.
2. To review the Company's internal control system and the internal audit system to be appropriate and effective, and to consider the independence of the internal audit unit as well as approving the appointment, transfer and dismissal of the head of the internal audit department or any other agency responsible for internal audit.
3. To review the Company's operations to be in compliance with the law on securities and exchange, regulations of the Securities and Exchange Commission (SEC), The Stock Exchange of Thailand (SET) and laws related to the business of the Company
4. To review the operation according to the plan, policy, goals and objectives of the organization as well as relevant regulations and laws.
5. To consider selection, to propose to appoint an independent person to act as the Company's auditor including considering proposing termination and the remuneration of such person with regard to reliability, resource adequacy and the amount of audit work of that audit office. This includes the experience of the personnel assigned to perform the audit of the Company to the Board of Directors including attending the meeting with the auditor without the management attending the meeting at least once a year.

6. To consider connected transactions or transactions that may have conflicts of interest to comply with the laws and regulations of the Stock Exchange of Thailand (SET) in order to ensure that such transactions are reasonable and are most beneficial to the Company.
7. To consider the disclosure of Company information in the event of a related transaction or items that may have conflicts of interest to be accurate and complete.
8. To prepare the report of the Audit Committee, which is disclosed in the annual report of the Company, and which the report must be signed by the Chairman of the Audit Committee and must contain at least the following information.
  - A. Opinions on the accuracy, completeness and reliability of the Company's financial reports.
  - B. Opinions on the adequacy of the internal control system of the Company.
  - C. Opinions on compliance with the law on securities and Stock exchange market requirements or laws related to the business of the Company.
  - D. Opinion on the suitability of the auditor.
  - E. Opinions about transactions that may have conflicts of interest
  - F. Number of Audit Committee meetings and the attendance of each member of the Audit Committee
  - G. The overall opinion or observation that the Audit Committee received from performing its duties in accordance with the charter.
  - H. Other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
9. The Audit Committee must be fully cooperative about receiving information that needs resources and operations from the management. The Audit Committee may invite the management or related parties are required to participate in providing relevant information.
10. The Audit Committee has the authority to hire specific experts or hiring an independent professional advisor when deemed necessary with the cost of the Company
11. To give approval of the charter, inspection scope, audit plan, budget and manpower of the Internal Audit Department
12. To review the Company's anti-corruption process in accordance with the guidelines of various regulatory agencies effectively starting from promoting and raising awareness, risk assessment, the creation of a preventive work system, an investigation until reaching a self-evaluation form about anti-corruption measures as audited and assessed by the Internal Audit Office, to ensure that the Company has various systems in anti-corruption as reported in the self-assessment form of the Thai Institute of Directors Association (IOD).
13. To perform any other duties as assigned by the Board of Directors within the scope of duties as the Audit Committee.

### Executive Committee

The Executive Committee is responsible for managing the business of the Company, proposing solutions to important problems and monitoring the performance of the Company, and subsidiaries to be effective to meet the goals set.

### Composition and appointment of the Executive Committee

The Board of Directors appointed the executive director by electing from a number of directors of the Company.

The Board of Directors of the Company consists of 4 persons, consisting of

Name	Title
Mr. Bunchai Punturaumporn	Chairman of Executive Committee
Mr. Somkid Pardungkiattisak	Executive Director
Ms. Duangdao Mahanavanont	Executive Director
Ms. Vachirawan Yamsri	Executive Director

### Scope of duties and responsibilities of Management Board

- 1) Determine the company's policies, directions, strategies, and principles that resonate with the business objectives set forth by the Board of Directors and is authorized to execute the policies given by the Board of Directors in compliance with the laws, regulations, and the company's article of associations.
- 2) Establish organization structure and organization administrative authority encompassing selection, hiring, transfer, training, and termination of contract for employees and staff, except the positions of Chief Executive Officer and Managing Directors
- 3) Review annual budget allocation proposed by Managing Director before submitting to the Board of Directors for approval
- 4) Examine and monitor to ensure effective execution of the policies and business conduct guidelines determined
- 5) Has authority to scrutinize and review investment in core and non-core businesses before proposing to the Board of Director for approval
- 6) Has authority to consider and approve borrowings or borrowings from financial institutions and repayment or payment transactions in the normal course of business
- 7) Has authority to allocate reward, prize, or compensation which has been approved by the Board of Directors
- 8) Execute other task as assigned by the Board of Directors from time to time



Management Board may grant its approval authority to the company's management on any or some financial transactions deemed appropriate by Management Board.

Nevertheless, approval of any transaction abovementioned must not result in Management Board being able to approve related party transactions (RPT) that any member of Management Board or other persons with possible conflicts (according to the company's Article of Association and as determined by Securities Exchange Commission) engage with the company or its subsidiaries, except the normal business transactions that comply with the criteria set forth by the Board of Director. In case of related party transactions involving member of Management Board or persons with possible conflicts with the company or its subsidiaries, such directors are prohibited from voting in the agenda of those transactions.

#### **Nomination and Remuneration Committee**

Board of Directors appoints four members of Nomination and Remuneration Committee, three members from a group of independent directors and one member from Management Board. One of the three independent directors becomes Chairman of the committee.

Name	Title
Mr. Somchai Wanawit	Chairman of Remuneration Committee
Mr. Yuthana Adiphat	Remuneration Committee
Ms. Raweewan Pinyopanukul	Remuneration Committee
Mr. Bunchai Punturaumporn	Remuneration Committee

#### **Scope of duties and responsibilities of Nomination and Remuneration Committee**

##### **Responsibility in nomination of directors**

Establish rules and approaches in the selection of the company's directors, considering multiple aspects of candidate qualifications, including personal status, knowledge and abilities, experiences, and specializations, to identify the candidates who fits the nomination rules and guidelines and propose to the Board of Directors and/or the Meeting of Shareholders.

##### **Responsibility in Determination of Remuneration**

Determine remuneration, financial reward, meeting allowance, bonuses, and other compensation of Management Board and other subcommittees and propose to the Board of Directors and Meeting of Shareholders for approval.

In the course of performing duties according to the rules set forth by Nomination and Remuneration Committee, the committee is obliged to regularly report to the Board of Directors at least twice a year.

### Risk Management Committee

Meeting of the Board of Directors No. 6/2018 dated December 21<sup>st</sup>, 2018 has resolution to appoint Risk Management Committee, which are comprised of three members with one independent director as Chairman of the committee.

And the Board of Directors Meeting No. 6/2020 on October 20<sup>th</sup>, 2020 resolved to appoint an additional member of Mr. Somkid Padungkittisak as a Risk Management Committee.

Name	Title
Mr.Chakkrit Uttayopas	Chairman of Risk Management Committee
Mr.Somkid Pardungkiattisak	Risk Mnagement Committee
Ms.Somsri Sripatoomrak	Risk Management Committee
Ms.Vachirawan Yamsri	Risk Management Committee

### Scope of duties and responsibilities of Risk Management Committee

1. Establish policies, rules, and processes in the assessment and management of risks that affect the company
2. Assess, analyze, prioritize risk factors, and determine proper guidelines and strategies to manage risks
3. Monitor and assess the result of risk management and report to Audit Committee
4. Make decision and give recommendation on critical issues in the risk management process

### Nomination and Appointment of Managing Director (CEO) / Board of Directors / Senior Executives

#### Managing Director (CEO)

Following the criteria and nomination process for Managing Director (CEO), the Nomination and Remuneration Committee shall select from the existing top executives or third parties with knowledge and capabilities in managing the company's business. Also, the CEO shall have a good understanding and experiences as an organizational leadership to manage the company's business towards the achievement of objectives and goals set by the company, as well as being a qualified person who is not prohibited by law. The nomination is proposed to the Board of Directors for further consideration and appointment.

The Nomination and Remuneration Committee shall consider according to the criteria as follows:

- 1) Being a director of the company according to the regulations
- 2) Having knowledge and abilities to manage the business, with professional skills, experience, and specific qualifications in various fields that are most essential and have the highest benefits to the company's business

- 3) Having experiences in business and organizational management
- 4) Having experiences in organizational leadership at a high level
- 5) Being recognized by the relevant business organizations
- 6) Being approved by the Board of Directors

**Nomination of Directors and Senior Executives** will be conducted through the nomination and remuneration Committee to consider and select the qualified and capable directors in accordance with the business strategy of the company. Then they propose to the board of directors and / or shareholders to consider and appoint again.

Appointment of the company's directors must comply with the company's article of associations and related laws and regulations. Meeting of shareholders consider to appoint directors of the company using majority rule with the following criteria

1. Each shareholder has voting rights equal to the number of shares held
2. Each shareholder can use his/her voting rights according to 1. to choose one candidate or more than one candidate but he/she cannot assign his/her rights to any candidate unequally
3. Candidates are ranked based on his respective votes and the candidates with top votes, the number of whom equals to the vacant director positions, are appointed as directors. In case that two or more candidates are given equal votes, resulting in the total number of eligible candidates exceeding the vacant director positions, Chairman of the meeting will exercise his authority to give the final vote.
4. In case that the director position become vacant due to the causes other than normal expiration, Board of Directors must obtain at least three-out-of-four resolution to select a qualified candidate who does not possess prohibited characteristics to assume the vacant director position in the next meeting, except when the remaining term of the replaced director is less than two months. The term of the replacing director is equal to the remaining term of the replaced director.
5. The Meeting of Shareholder may vote to cause a director to leave the position before his term using at least three-out-of-four voting rights presence in the meeting, which constitute to more than half of the total voting rights of shareholders

#### **Director qualifications**

Persons eligible for director positions are knowledgeable and prepared to perform the duties and must possess the following qualifications at the least;

1. Must possess desired qualifications and must not possess prohibited characteristics as stipulated by Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as well as must not

possess characteristics that may lead to untrustworthiness in his/her management conduct from shareholders as determined by the SEC

2. Must possess knowledge, skills, or experiences in related business or in the field of finance and accounting, business administration, or other fields deemed appropriate by the Board of Directors. At least one non-executive director must have experience working in the business related to the business of the company.
3. Be able to devote sufficient time to cautiously and vigorously perform director duties especially when making the critical decisions for the company's benefits and be able to fully attend the meeting of the Board of Directors and the shareholder meetings, except in the time of emergency
4. Possess morals, ethics, and other characteristics possibly determined by laws or by the Board of Directors

Nomination Committee will consider candidates for independent directors based on the qualifications set by the SEC. The company defines qualifications for "**independent directors**" as follows:

1. Holds not more than 1% of shares with voting rights in the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts. This includes shares held by related persons of such independent directors.
2. Is not currently or has not been an executive director, employee, staff, consultant with monthly compensation, or a controlling person of the company, its parent company, subsidiaries, associated companies in the same level, or legal entities with possible conflicts, except refraining from such position for no less than two years before director appointment date
3. Is not connected by blood or by legal-biding registration in the form of paternity, maternity, spouse, siblings, or descendants with executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the company or its subsidiaries
4. Does not currently have or has not had business relationship with the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts which may prevent his/her exercising of independent judgment, and is not currently or has not been a major shareholder, non-independent director, or executive of the entities having business relationship with the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts, except refraining from such position for no less than two years before director appointment date
5. Is not currently or has not been an auditor of the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts, nor is a major shareholder, non-independent director, executive, or partner of the audit firm in which the auditor of the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts

is employed, except refraining from such position for no less than two years before director appointment date

6. Is not currently or has not been a professional service provider, including legal advisor or financial advisor, receiving monthly compensation in the total amount of more than two million baht per year from the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts, and in case that the mentioned professional service provider is a legal entity (not a person), the candidate for independent director must not be a major shareholder, non-independent director, executive, or partner of such professional service provider, except refraining from such position for no less than two years before director appointment date
7. Is not appointed a representative of the director of the company, its major shareholder, or a shareholder which is a related entity of the company's major shareholder
8. Does not possess other characteristics that prevent exercising of independent judgment on the business conduct of the company

#### 7.4 Information about the Management

##### 7.4.1 Name and Positions

###### Executives

There are 6 executives of the company as follows:

Name list	position
Mr. Bunchai Punturaumporn	- Chief Executive Officer - Chief Operating Officer (Acting) - Chief Production Officer (Acting) - Director of International Sales (Acting) - Director of Human Resources (Acting)
Mr. Somkid Pardungkiattisak	- Chief Financial Officer - Director of Accounting and Finance (Acting) - Director of Information Technology (Acting)
Miss. Picha Thanalongkorn	- Chief Marketing Officer
Miss Duangdao Mahanavanont	- Chief Commercial Officer
Miss Vachirawan Yamsri	- Director of Production and Production Engineering - Director of Procurement and Production (Acting)
Mr. Winai Phanachaweng	- Director of Domestic Sales

#### 7.4.2 Remuneration Policy for Executive Directors and Executives

##### Executive Compensation

For the executive's remuneration, the Board of Directors assigns the Nomination and Remuneration Committee, excluding the executive directors, to be responsible for determining, considering, and monitoring the remuneration structure of the Board of Directors, Managing Director (CEO of the company), Senior Executives, and executives, as well as monitoring the performance evaluation according to the specified criteria. This information is used to determine appropriate compensation in both the short term and long term, as well as communicate to the executives at all levels for acknowledgment. In this regard, all processes must be also carried out with employees at all levels.

#### 7.4.3 Specify the Total Amount of Remuneration for Executive Directors and Executives

##### Financial Reward

In 2021, the Board of Directors and the Executives were remunerated as follows:

Name	2021	
	Description of payment	Amount (Million Baht)
Director (as Director)		
- Mr. Viroj Thanalongkorn	- Remuneration to Chairman	0.36
	- Remuneration to Director	0.12
	- Reward to Director	0.54
- Mr. Bunchai Punturaumporn	- Remuneration to Director	0.12
	- Reward to Director	0.32
- Mrs. Suchanya Thanalongkorn	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Somkid Pardungkiattisak	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Ms. Duangdao Mahanavanont	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Ms. Vachirawan Yamsri	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Ms. Rawewan Peyayopanakul	- Remuneration to Chairman of Audit Committee	0.06
	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Somchai Vanavit	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.24

Name	2021	
	Description of payment	Amount (Million Baht)
- Mr. Yuthana Adipath	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Chakkris Uthayophas	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Ms. Pensri Suteerasan	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.24
Directors & Executive (as Executive)	- Salary, position allowance and fuel allowance, cars, and bonuses.	27.60
	- Remuneration to Director	0.30

#### Other Benefits for Directors and Executives

- The Company provides 4 vehicles for the executives to use in the Company business.
- The Company provides a provident fund to employees who are members of the fund which the employees pay the accumulated and the Company pays at the following rate:
  - Department Manager and Director levels    Rate 3 or 4 or 5%
  - Deputy Managing Director and Managing Director levels    Rate 3 or 4 or 5 or 6%
 based on the income before tax of each month
- Executives level provides life insurance and group health insurance.

## 7.5 Information about Employees

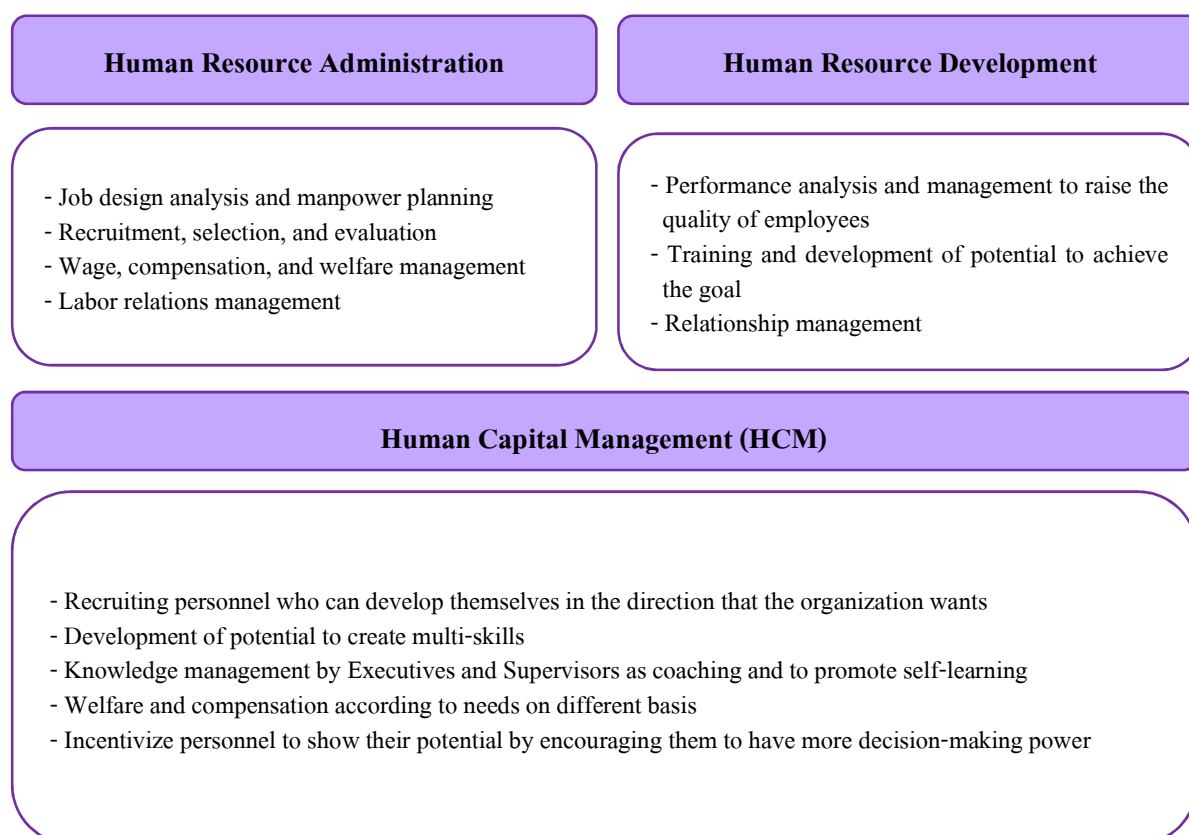
### People

#### Commitment and Goals

The Company believes that “**Employees are the most important and valuable resources,**” so we are committed to effective human resource management by developing the potential and promoting the learning of personnel in all areas so that personnel can learn and initiate new things, understand and accept differences, and be ready for changes to lead to the success of business goals as well as creating competitive advantages for sustainable growth for both employees and the organization.

#### Concept of Human Resource Management

The Company personnel management concept has applied the principles of **human resource administration**, which, in addition to aiming for effective management and operation, also focuses on the strategy of managing each function in accordance with the needs of the organization, and **Human Resource Development** that focuses on participatory learning to increase work potential and relationship management. In addition, the Company has adopted the concept of **Human Capital Management (HCM)** in operations to focus on the value of people, human rights at work, and taking care of employees to be happy, have fun, and be challenged at work.





## Operational Goals in 2021

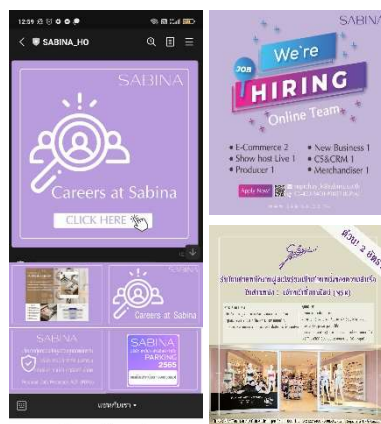
Due to the continuous pandemic situation of COVID-19 which causes changes in people's behaviors, social, and economy as well as the development of rapidly changing technology, the Company is determined to develop the potential of its employees to be a learning organization to be ready for changes that may occur quickly by requiring training hours of not less than 70% of the total number of employees per year and the number of training hours not less than 15 hours/person/year, including supervising the employees in the organization to work happily, have fun, be challenged with new things, and be everyone's second home.

## Human Resources Management Guidelines

### Manpower Planning and Recruiting



The Company recognizes the value of the employees towards the organization and believes in the efficiency of employees. In addition, the situation of COVID-19 is also a testament to the diversity of employees' skills and multi skills that play a role and participate in challenging situations. Therefore, it is a spark that encourages the Company to review and adjust the work style accordingly including internal staff recruitment by giving the opportunity to transfer the line of work according to the interests of qualified employees to fill in the required work cause job rotation, learning, and skills development for employees.



For the recruitment of new employees, the Company attaches importance to defining qualifications according to job requirements, and employees must be personnel who love learning and be able to develop themselves in the direction that the organization wants based on the integration of technology to work. The Company has also developed a channel to promote job positions through the online system, focusing on the use of the Company's website, a refer-a-friend program, and job promotion through the LINE Group of each branch to allow the employees to participate in recruiting colleagues and pass on great opportunities to their loved ones. In addition, the process of online testing and interviewing has been improved to maintain social distancing and for convenience and flexibility in recruiting.

The Company also provides for part-time employment to support sales activities and to open up opportunities for earning money for students who would like to earn money during their studies.

## Performance in 2021

<b>Recruiting new employees</b>	<b>300 people (e-commerce/Marketing/Salesperson/Sewing worker)</b>
<b>Internal recruiting, transfers, and career transitions</b>	22 people (e-commerce/online warehouse)
<b>Part-time employment (Sales support)</b>	292 people (repeat count due to single-time hiring)

**A table showing statistics of recruiting employees through various channels of the Company in 2021**


	Online	Refer-a-friend program	Walk in	Total
<b>Monthly</b>	12	5	1	18
<b>Daily</b>	25	63	30	118
<b>Salesperson</b>	84	70	10	164
<b>Total</b>	<b>121</b>	<b>138</b>	<b>41</b>	<b>300</b>
	<b>40%</b>	<b>46%</b>	<b>14%</b>	<b>100%</b>

In this regard, the Company has established an appropriate employment policy that is relevant to the labor market and organized learning for new employees in the form of on the job training and using the buddy system to create knowledge and understanding the key skills of working through real work as well as receiving care and advice from people with direct experience. These have made the employees ready and able to work happily.

**Employment of the Elderly in the Organization**

From the trend of the social direction that began to enter the aging society, the Company recognizes the importance of the situation and realizes the value of fellow employees. Therefore, a policy for employment after retirement has been established among healthy employees who are physically, mentally, and emotionally ready to contribute to success in a position where skill is applied including being a consultant and relaying to fellow employees at the age of 55–65 years to make them employed.

Group of work	Executives	Sales Management	Product design and development	Manufacturing and sewing techniques	Others	Total
<b>Number (persons)</b>	3	26	5	21	12	<b>67</b>

**2. Development and promotion of employee potential**

To create opportunities to learn and develop their own potential in accordance with the needs of the organization and encourage personnel to have the ability to communicate for work as well as creating a driving force towards the success of the organization, the Company has policies and guidelines for development of employee knowledge and potential. Therefore, there is a learning process through various training programs which is in line with the line of work responsibility as well as economic and social situations. For example, the “Production Learning Program” started with our overall business learning for the employees in the product research and development, procurement, and cost groups, as well as the OEM work group to learn the overall picture of business and a comprehensive production process for further application.



The Company is committed to continually providing training for the employees under the restrictions of the COVID-19 pandemic. The Company has applied technology and communication channels through online platforms such as Facebook, LINE, Google Forms, and Microsoft365 and proactive learning through small group meetings in each line of work including organizing on the job training – instead of training in the meeting room which takes a long time and aggregates workers, which is a risk in the pandemic condition –to achieve the goal of promoting and developing the skills of employees in all aspects. The Company, therefore, surveyed the necessities from various departments (Training Needs) which are important factors for the success of employees and the organization as follows:

**Sample of the training needs 2021 survey for supervisors and departments in the office**

Department	Course	Number
<b>Executive/Manager</b>	OKRs for driving business strategy, tracking and driving the OKRs simply but effectively	83
<b>Products</b>	Skills of basic product quality inspection for product quality control	26
<b>Domestic Sales</b>	Skills of learning basic product group to develop professional sales	890
<b>Online Sales</b>	Sales techniques and writing-answering via social media	38

**Sample of the training needs 2021 survey for seamstresses on the need to increase each type of machine skills (Work Passport)**

Factory	SN Program	DN Program	ZZ Program	OL Program	IL Program	TK Program
<b>Phutthamonthon Sai 5</b>	64%	61%	63%	64%	59%	56%
<b>Tha Phra</b>	57%	57%	61%	50%	52%	52%
<b>Chainat</b>	56%	49%	54%	68%	51%	54%
<b>Yasothon</b>	79%	77%	75%	77%	66%	54%
<b>Buriram</b>	51%	50%	54%	53%	44%	58%

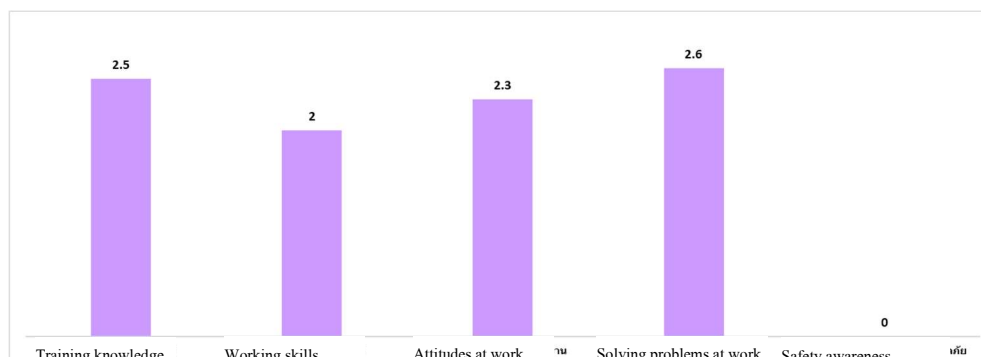
The Company has formulated training plans for 39 courses based on surveys of necessity from various agencies as follows:

Group of Employees	Goals	Examples of Courses
<b>Executives</b>	Focusing on driving business strategies with consideration to environment, society, and corporate governance (ESG) for sustainable business operations	ESG Courses, Opportunities and Risks of the Companies to Know, Promoting Good Corporate Governance, TLCA, CFO, Professional Development Program (TLCA CFO CPD)
<b>Executive Staff</b>	Focusing on building knowledge and understanding and working together in order to develop effective operational systems and performance indicators with the right tools and not to create pressure on employees to work happily and aim to drive business strategies with consideration to environment, society, and corporate governance (ESG) for sustainable business operations	OKRs course for driving business strategy, OKRs tracking and driving the OKRs simply but effectively, effective management, people management, good governance in sustainable business operations
<b>Operational Staff</b>	Focusing on driving business strategies with consideration to environment, society, and corporate governance (ESG) for employees throughout the organization through basic training for operators in all lines of work and training courses according to the needs of each line of work to be in line with the implementation of the organization's strategies	Anti-corruption and anti-corruption courses, code of business conduct, human rights, risk management, and OKRs to drive business strategies
	<b>Production and Warehouse</b> Focusing on developing skills to support various work processes with quality and safety for operators, so that the employees can work in every department and support a variety of working styles. It also focuses on creating maximum value and reducing operational waste to control costs and for a sustainable environment.	Work passport course for each type of machine in production, increasing efficiency by reducing the loss of changing work models and machine loss, marking with the Lectra Diamino program, and developing warehouse work skills
	<b>Design, Research, and Product Development</b> Focusing on enhancing product quality control skills to create the best impression for customers and quality inspection of product samples before production and after production with standards to prevent wastage of production and non-standard production to reduce unnecessary use of resources including promoting creativity in product design and development	Basic product quality inspection skills course for product quality control, creative skill development to meet the needs of consumers (IDEATE CLASS)
	<b>Sales Staff</b> Focusing on creating knowledge in the product group, service skills and sales according to the Company's service standards to make the best impression and promote communication skills for salespeople through online channels which is consistent and supports the behavior of consumers in the current era	Basic sales management course, learning basic product group skills to develop professional sales, sales techniques and writing-answering via social media

Note: Information is disclosed according to the **GRI 404-2** framework – Employee Skills Upgrading Program and Change Assistance Program.




However, all training courses shall be assessed according to the method of the Department of Skill Development in five dimensions: 1. Training knowledge, 2. Working skills, 3. Attitudes at work, 4. Solving problems at work, and 5. Safety awareness. This could be useful for the future development of training courses.

Examples of Lean evaluation training in five dimensions



(From the scoring criteria: Very good = 3, Good = 2, Fair = 1, Needs improvement = 0)

A table showing the number of employees who have participated all training courses of the Company for the year 2021

			
Number of employees	2,756	496	3,252
Employees who attended the training	2,756	496	3,252
Percentage	100	100	100

A table showing the number of training hours per employee in 2018–2020

Group of employees	Training hours per person		
	2019	2020	2021
Executives	20	20	15
Executive staff	35	20	12
Operational staff and sales staff	30	15	10

Note: Information is disclosed according to the **GRI 404-1** framework – Average Annual Training Hours Per Employee.

Although the Company can achieve the training goal of not less than 70 percent, the training hours could only be done for 10 hours/person due to the COVID-19 crisis, which will be compensated for in the next year's training.




### Performance in 2021

From the needs survey and training planning resulting in the Company's efficiency in working under the COVID-19 situation while still being able to maintain sales and profits. This is the result of planning and controlling with short-term goals from simple but effective follow-up training and implementation of OKRs to manager-level employees. This leads to the

creation of knowledge and understanding at the operational level, resulting in effective cooperation. In addition, the survey of needs and training to increase the skills of each type of machine (Work Passport) for employees can reflect the production efficiency and still maintains the production rate very well and has a replacement person at every step. Thus, there is no labor shortage problem in the production process of the organization.




### 3. Opportunity Creation, Career Advancement, and Development of Successors in Key Positions

The Company supports self-development training and empowerment of all employees to enhance work efficiency and create opportunities to learn, improve, change, develop and for equal advancement opportunities for all employees regardless of gender, races, and religions as well as a concrete evaluation. In addition, promotion is considered once a year, in January. Therefore, it is important to measure the evaluation results fairly to truly see the capabilities of the employees in each line of work. This results in the promotion of opportunities and job advancement for 6 people, representing 7.23% of the total number of the executives and managers.

Position Adjustment for 2021			
Staffs with Position Adjustment	5	1	6

Note: Information is disclosed under the GRI 404-3 framework with percentage of employees, consistent performance, and career development.

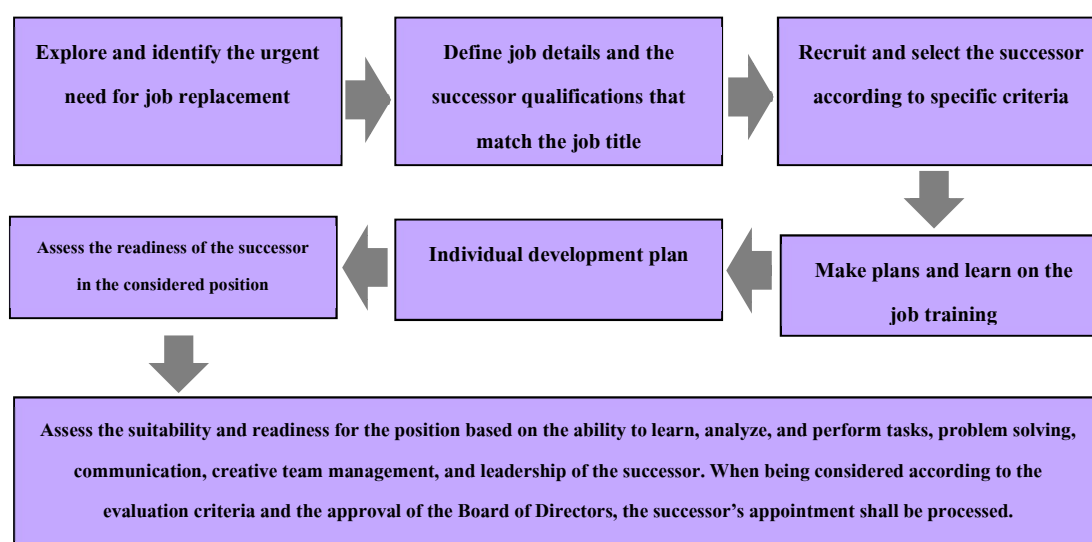
The Company realizes that there should be no restriction on the advancement opportunities for all employees in terms of gender, race, and religion. The Company maintains female and bisexual executives and managers, accounting for 80% of the total number of executives and managers across the organization as follows:

Position			
Executive	3	3	6
Department Manager	4	3	7
Section Manager	14	4	18
Division Manager	45	7	52
Total	66	17	83

In addition, the Company has prepared plans to develop successors in important positions. This is a joint planning between the Management and the Human Resource Department. This requires managers and key employees aged 48 years and over to participate in the successor planning and preparation program. The criteria for presenting and considering successors are as follows:

Criteria	Condition	Note
Age of the successor	Not less than 30 years at the date of the expected appointment	-
The successor's year of work	Not less than 5 years at the date of the expected appointment	-
Evaluation of the successor's performance records	During the past 3 years, but not lower than the Level B	Must be in Level A for at least 1 year
On the Job Training	Report to management every 3 months	In accordance with the future scope of duties
Assignment of new tasks for measurement of results	Progress report every 3 months	To develop managerial skills
Evaluation and preparation of the appointment	Through the effective administration and personnel management	

#### The planning process and execution of successor planning (Succession Plan)



In the past year, there were a total of 23 persons of managers and employees in key positions aged 48 years and over participating in the successor planning and preparation program.

#### 4. Remuneration and Benefits Management

The Company has a policy to pay remuneration to its employees according to the labor law and suitability based on the qualifications, knowledge, competence, and experiences that are consistent with the remuneration of other companies in the same industry, including salary, overtime pay, commissions/special compensations when working towards bonus goals (Depending on the Company's operating performance), as well as a wide range of benefits. In addition, there is an annual evaluation for wage adjustment according to the performance of employees. In this regard, the payment of remuneration and benefits shall be considered according to the performance. There was no difference regardless of origin, race, religion, sex, and marital status.

Items	December 31 <sup>st</sup> , 2019	December 31 <sup>st</sup> , 2020	December 31 <sup>st</sup> , 2021
Salary and Bonus (million baht)	758.61	635.86	556.06

### Welfare, Vacation, and Leave



The Company provides leave welfare for the employees as required by law and in addition to the law as follows:

Category	Tradition holiday	Sick leave	Personal leave	Vacation leave	Maternity leave	Marriage leave	Cremation leave	Practice dharma leave
Day/year	13	30	5	6	98	5	5	3

### Employee Benefits

The Company provides a wide range of welfare and assistance to the employees which shall be in compliance with the laws and regulations of the Company, without discriminating of origin, race, religion, sex, and marital status as follows:

Legal Welfare	Additional benefits beyond the law
<ul style="list-style-type: none"> <li>- Social Security Fund</li> <li>- Compensation Fund</li> <li>- Annual leave</li> <li>- Maternity leave</li> <li>- Military service leave</li> </ul>	<ul style="list-style-type: none"> <li>- Provident fund for employees</li> <li>- Accident insurance for the employees who work outside the Company</li> <li>- Medical expenses for sickness and dental treatment</li> <li>- Welfare for 7 severe illnesses</li> <li>- Assistance in the event of disasters</li> <li>- Financial assistance in the event of an employee's death</li> <li>- Financial assistance in case of husband or wife, child, parent death</li> <li>- Interest-free emergency loans for employees</li> <li>- Special interest of housing loans with leading banks</li> <li>- Other benefits such as visiting sickness, money to congratulate, marriage, child support</li> <li>- Buying the Company's products at a special price</li> </ul>

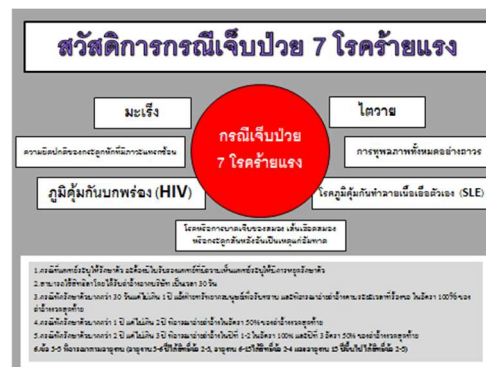




### Welfare for 7 Severe Illnesses

The Company aids employees who suffer from serious illness, which results in excessive sick leave as specified by law and lack of income during their time off from work. This special assistance is considered according to the rights to leave and getting paid for the period of treatment and recovery on the basis of their time of service. Those groups of diseases are listed as follows:

1. Cancer
2. Kidney failure
3. Total permanent disability
4. Immunotherapy (SLE)
5. Disease or trauma of the brain, brain arteries, or the spine as a cause of paralysis
6. Immunodeficiency Disease (HIV)
7. Fracture disorders with complications



According to the practice guidelines, the employees must have a medical certificate stating that they have a disease or diseases as listed in the group of 7 severe illnesses as determined by the Company and a document shall certify by the doctor's opinion to take a break or leave for treatment. The employees are entitled to paid leave at the rate of 50–100% of the final wage prior to their treatment, and for a maximum period of 3 years (conditions based on the employee's age) in case the employees cannot return to work normally, which the Company shall consider as special benefits and additional allowances to the employees.

### Provident Fund

The Company established a provident fund in 2005 for the welfare and well-being stability of the employees after retirement. The employees with a minimum of 1 year of work can apply for participation voluntarily at a rate of 3%. Also, the Company contributes at the rate of 3–6% of the employee's salary, with the amount of contribution to the Provident Fund of 55,615,957 baht. The provident fund investment plan can be chosen according to the desire, age, and readiness of the employees. Currently, there are 1,434 members in the provident fund, representing 44.1% of the eligible participants. The funds are detailed as follows:

Branch	Employees' Provident Fund Participation Information		
	2019	2020	2021
Office	250	217	209
Salesperson	459	435	337
Thaphra	201	175	125
Sai 5	297	281	179
Chainat	201	401	122
Yasothon	614	522	364
Buriram	70	130	98
Total	2,092	2,161	1,434

## 5. Employee Care and Engagement

Following the commitment to provide all employees with happiness, enjoyment, and challenges of new experiences in the Company as a **second home**, the Company, therefore, operates and organizes activities to build good relations among the employees and work together for the communities and society. For example, during holiday events, festivals, traditions, religious days, sport days, 5S activities at home to the community, and charity fairs on the occasion of the anniversary of Mae Jintana Thanalongkorn Foundation on the basis of promoting the quality of life under the concept of Happy 8.



As a result, the Company was awarded as an enterprise with excellent labor relations management, consecutively for more than 16 years in the Yasothon factory, followed by 14 years in Thaphra branch factory, and 12 years in Sai 5 branch factory.



In addition, the Company provides a suitable working environment. (Details in Safety, Occupational Health, and Working Environment). The Company also promotes an enjoyable and challenging work environment for its employees by providing them with the opportunities to express their opinions for improvement through various activities to collect Sabina Reward Points for redemption and various participation activities.



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To create engagement between the employees and the organization, the Company encourages the employees to have a sense of involvement and to encourage them to participate in various sets of goals for commitment with a sense of value and pride in their work, as well as supporting their sense of leadership by assigning them with appropriate decision-making and communication. There is publicity of news and situations of the organization at all times to create an environment and drive towards various activities of the organization.



Pictures of the CEO BROADCAST (Executives Meet Employees) activities held at least once a month.

In the wake of the COVID-19 crisis, the Company also puts great emphasis on the care of employees with no plans to lay off or lower their welfare. The Company also provides financial support to help salespeople and other employees who have been affected from the orders to lock down the operating areas according to the control announcement including coordinating to claim rights from all departments for the employees with our full potential. The Company has assessed the pandemic situation and considered the operating characteristics of every unit to set guidelines for operations. In the office, work from home is set and the factory set work practices by campaigning and supervising and controlling the employees to maintain personal hygiene including wearing two masks all the times, washing hands regularly, keeping distance between people, and having established additional measures for prevention as follows:

- Surveying information and travel of the employees to exclude those at risk;
- Screening those who are in the middle of pregnancy to work from home;
- Using video conferencing to avoid traveling and reduce aggregation;
- Adjusting the time of entering and leaving the office from work faster to reduce the risk of congestion during rush hours;
- Dividing lunch break into 2–3 rounds to reduce congestion while taking lunch breaks;

- Establish specific measures to control the risks of the employees by refraining them from joining in groups, traveling across provinces, as well as the isolation measures for 7–14 days in case of finding a risk;
- Screening the third parties who must enter the enterprise areas by measuring their temperatures, vaccination, and general symptoms;
- Providing alcohol gel or hand sanitizer and clean up the common contact areas, such as handrails, knobs, wash basins, and bathrooms, with cleaning solution at least 3 times a day;
- Communicating the epidemic situation and knowledge of self-prevention daily;
- Supporting the employees to receive vaccinations without taking leave.

In addition, the Company has organized a friend-to-friend project for the employees to jointly monitor the risky behavior of their colleagues and has also conducted a COVID-19 protection policy for all employees in all departments in 2021.



### Assessment of Job Satisfaction and Organizational Engagement with Employees

The Company has conducted a satisfaction survey on job satisfaction and the relationship between the organization and the employees in 2021 to survey the opinions of employees 1 time/year in six dimensions:





A standard average of 70%, 80% good, and 90% very good are expected to be used as the evaluation criteria from the survey to analyze and create a plan to support the employee satisfaction.

#### Performance in 2021

The results of the survey will reflect the opinions of the employees towards the organization and the Management. Overall, it shows pride and relationship with the organization at a very good level and satisfaction in the duties and responsibilities at a good level. The results of the survey have been publicized through various channels of the Company to make employees aware of the successful outcome of employee maintenance operations and building engagement.

Table of performance satisfaction survey results and the relationship between the organization and its employees in 2021

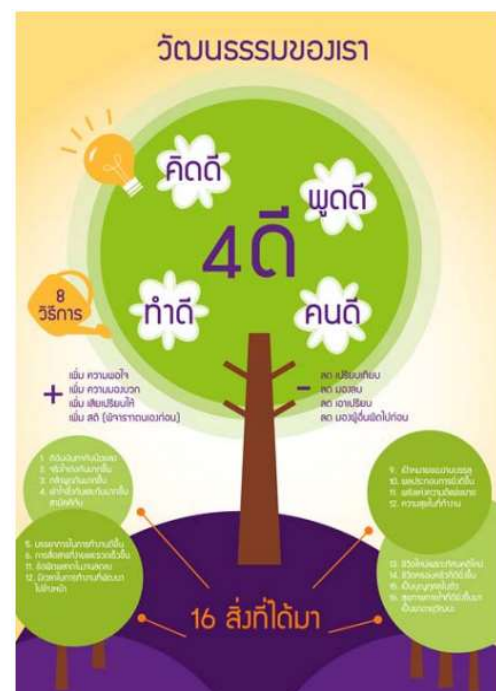


The survey results are the benchmark for the Company's development efforts. In this regard, a plan from the assessment results has been developed to develop relationship building activities in 2022 to enhance the relationship in all dimensions between the employees and the organization.

## 6. Cultivation of Corporate Culture

The employees who have different background, family, education, and concepts may have problems and obstacles in working together as well as working under pressure to strive for success in accordance with the goals, causing stress and conflicts between them. The Company, therefore, wishes to cultivate positive attitudes towards work to reduce those conflicts of opinions and respect opinions with mutual acceptance and more understanding towards a good relationship, as the defined “4-D Good Culture” which consists of thinking good, saying good, doing good, and being good on the basis of 8 ways as follows:

Increase Satisfaction Positive view Disadvantage (Learn about being disadvantaged) Mindfulness (Consider yourself first)	Reduce Compare Native view Taking advantage Look at other wrong first
--	---



This results in teamwork and more cooperation with each other.

From the operational guidelines in human resource management, the Human Capital Management (HCM) model allows the Company to increase its competitiveness in business from being a “Learning Organization” to encourage and support people in the organization to develop, improve themselves, and learn new things at all the time. There is an exchange of knowledge, which may arise from trial and error. Knowledge is transferred also to other members in the organization to achieve continuous learning results, leading to the creation of new products or services towards the needs of customers. It is an advantage to the organization and gives the most benefits to the business.

As a result of being a learning organization, the Company gains the attention of students to have some working experiences. In year 2021, there were 16 students participating in training from many institutions, allowing internal employees to benefit directly from reviewing knowledge before transferring their experiences to a group of students.

Line of Practice	Number of students participating in the company experience (persons)		
	2019	2020	2021
Business Administration	12	10	2
Product Development	3	5	-
Production Line and Warehouse	14	25	14
<b>Total</b>	<b>29</b>	<b>40</b>	<b>16</b>

This is due to the COVID-19 situation, as a result, the proportion of participation in the experience training in 2021 has decreased from the original. There was also the postponement of the training plan for civil servants in the Public Service Executive Development Program (PSED) of the Public Sector Development Commission under the Prime Minister’s Office where the Company has been selected as a place to practice the PSED program since 2019.

## 7. Labor Practice and Human Rights Respect

The Company accepts the employees' opinions and suggestions, including respect for human dignity (see more details in the topic of "Respect for Human Rights"). If there is a change in performance which may affects the employees, the Company has the minimum notification period for employees to acknowledge as follows:

Operational Changes	Minimum Notification Period
Change of annual holidays/Vacation days	1 month
Transfer of department/Position	1 month
Transfer of practice/Department merger	1–2 months
Renew after retirement	9 months

Note: Information is disclosed in accordance with **GRI 402-1** framework – The minimum notification period on operational changes.

### Personnel Information of the year 2019-2020-2021

#### Total number of the employees classified by level

Branch	Number of employees (Persons)					
	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Senior management	6	7	6	7	6	7
Middle management	3	19	3	18	4	14
Junior management	12	42	12	45	7	45
Monthly employee	233	1,624	230	1,580	205	1,349
Daily employee	488	2,056	395	1,808	274	1,341
<b>Total (Persons)</b>	<b>742</b>	<b>3,747</b>	<b>646</b>	<b>3,457</b>	<b>496</b>	<b>2,756</b>

Note: Information is disclosed in accordance with **GRI 405-1** framework – Diversity of regulatory agencies and employees.

The COVID-19 situation will increase the rate of employee turnover at an average rate of 21.2%, as detailed in the information below, which is a higher rate from last year from the pandemic, controlling, and various areas shutting down which affects the movement of labor which is in accordance with the assessment of the situation and in accordance with the management plan supported by the Company.

Branch	Employee Turnover Rate					
	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Head Office	24		21		19	
Sai 5	236		173		231	
Thaphra	97		77		59	
Chainat	173		87		69	
Yasothon	197		118		121	
Buriram	53		53		73	
Salesperson	154		135		184	
<b>Total (Persons)</b>	<b>934</b>		<b>664</b>		<b>756</b>	
<b>Turnover Rate (Percentage)</b>	<b>20.7</b>		<b>15.76</b>		<b>21.2</b>	

Note: Disclosure of information in accordance with **GRI 401-1** framework – The new hires and employee turnover.

Factory	Female Staff	Maternity Leave		Return to Work	
		Total	%	Total	%
Head Office	258	5	1.94	3	1.16
Sai 5	323	5	1.55	4	1.24
Thaphra	210	4	1.90	2	0.95
Chainat	300	8	2.67	5	1.67
Yasothon	651	19	2.92	14	2.15
Buriram	124	5	4.03	4	3.23
Salesperson	890	28	3.15	21	2.36
<b>รวม Total</b>	<b>2,756</b>	<b>74</b>	<b>2.69</b>	<b>53</b>	<b>1.92</b>

Note: Information is disclosed in accordance with **GRI 401-3** framework – The maternity leave.

Factory	Provident Fund	Medical Expenses	Emergency Loan / Aunjai Fund	Special Allowance	
				Employees and Families	Disaster
Head Office	2,087,603	400,804	72,000	86,650	-
Sai 5	823,054	117,166	240,000	143,100	-
Thaphra	273,086	80,585	276,000	94,100	-
Chainat	285,655	138,964	738,000	136,270	-
Yasothon	800,325	381,970	336,000	241,717	1,800
Buriram	208,687	17,230	138,000	70,188	-
Salesperson	1,213,542	247,076	168,000	183,800	-
<b>Total</b>	<b>5,713,568</b>	<b>1,383,795</b>	<b>1,968,000</b>	<b>955,825</b>	<b>1,800</b>

Note: Information is disclosed in accordance with the **GRI 401-2** framework – The benefits given to permanent employees.



## 7.6 Other Important Information

### 7.6.1 Information of persons who are directly responsible for accounting supervision, the Company's secretary, head of internal audit together with the information of such person attached.

#### Company Secretary and The person supervising accounting

On November 13, 2013, the Board Meeting resolved to appoint Miss Vaja Mukto as the Company Secretary to be responsible for the following matters for and on behalf of the Board of Directors or the Company.

- To provide fundamental suggestion to the directors related to law and regulations about securities and Company's regulations, and to follow up on compliance including major changes which could affect the directors.
- To arrange meetings of shareholders and board of directors in accordance with the law, and regulations of the Company.
- To prepare the minutes of the shareholders meeting and the minutes of the Board of Directors meeting, and to follow-up and ensure proper practice.
- To be responsible for disclosure and reporting information in the related regulations and requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
- To establish and to maintain the following documents:
  - Registration Committee.
  - Board of Directors' meeting invitation letter, Board of Directors' meeting report and Annual report of the Company.
  - The Shareholders' Meeting invitation letter and the Shareholders' Meeting minute
  - Annual report form (56-1) and annual report (56-2).
- To maintain reports of interest reported by directors or executives.
- To perform other activities as specified by the Capital Market Supervisory Board.
- There are also other duties of care activities of the Board of Directors and to ensure that the Board of Directors and the Company practice compliance with law and regulations.

The attributes of the person holding the position of Company's secretary and The person supervising accounting is shown in Attachment 1.

#### Head of Internal Audit

In Meeting of Audit Committee dated February 23<sup>rd</sup>, 2017, the Committee appointed Mr. Sampan Puiprom as Secretary of Audit Committee and Head of Internal Audit Unit since he is experienced in the internal audit field and has extensive understanding about the nature of work of the company.

Qualifications of Head of Internal Audit Unit appears in Attachment 2.

### 7.6.2 Investor relations and contact information

the Company has established the Investor Relations Unit to provide information services and news of various activities of the Company with investors, shareholders, analysts and the public as well as answering questions from investors and related parties who can contact the Investor Relations Unit is Mr.Somkid Pradungkittisak by email [ir@sabina.co.th](mailto:ir@sabina.co.th) or Tel. 0-2422-9400.

### 7.6.3 Auditor's remuneration

To conform to the Public Company Act, regulations set forth by the SEC, and the company's regulations determining that Meeting of Shareholders consider and approve the appointment of auditor and annual auditor fee and Notification of Capital Market Supervisory Board Tor Jor 11/ 2009 Notification of Capital Market Supervisory Board no. Tor. Jor. 11/2009 regarding Rules, Conditions and Procedures for Disclosure of Financial Performance and Business Operation of the Company that issue the securities Section 7(7) stipulating that a listed company issuing securities must arrange to rotate its auditor who has reviewed and expressed his/her opinion for 5 consecutive accounting years. The company can appoint the new auditor working for the same office as the previous auditor.

The Meeting of Shareholders 2021 appointed Mrs. Nattsaruk Sarojnanchin or Mr. Chaiyuth Angsuwittaya or Ms.Daranee Somkomnerd or Ms.Jarunee Naummea or Mr.Siramet Aukkarachotikulnun or Ms.Yaowaluk Somprasert Certified Public Accountant No. 4563,3885,5007, 5596, 11821 and 11902 respectively, of AMT Associate Office to be an auditor of the company and its subsidiaries with total audit fee of 910,000 THB. Auditor from AMT Associate Office has satisfactorily completed his/her job with high professional standard, good auditing experiences, proper auditing fee, and independence without business relationship or interest in the company, its subsidiaries, executives, major shareholders, or related persons of such persons.

#### Audit fee

Remuneration	Unit : Bath	
	2021	2020
Sabina Public Company	910,000	910,000
Subsidiary's Company	640,000	640,000
Other expenses (Travel, stamp , fax etc.)	will pay for actual expenses	will pay for actual expenses

In 2021, there was no other compensation paid to the auditor of the company and its subsidiaries, audit office in which the auditor worked, and related persons or business connected with the auditor and its office.

## 8. Corporate Governance Performance Report

### 8.1 Summary of the Board's performance in the past year

The Company discloses a summary of the performance of the Board of Directors for the past year in Attachment 7 Report of the Board of Directors.

#### 8.1.1 Nomination, Development and Evaluation of the Performance of the Board of Directors

##### Continuous knowledge development of the board

The Board of Directors encourages and facilitates training and education for all Board members, management and employees to continuously improve operations.

The Company has encouraged directors to attend courses related to the performance of duties as directors such as courses organized by the Thai Institute of Directors Association (IOD) and other related institutions. In the year 2021, the directors attended the following courses.

Name	Position	Training
Mr.Somkid Pardungkiattisak	Director and Risk Management Committee	- TLCA CFO Professional Development Program (TLCA CFO CPD) 2021

For new directors, the Company has an orientation for new directors, where the managing director of the relevant management will present information about the shareholding structure Organizational Structure, nature of the business, Company operating policy, Company regulations, financial information, information of affiliated companies, board meetings and other related information.

The Board of Directors has established a succession plan for the main positions by defining as part of the strategic plan for the succession of work and as a guideline for the development of executives as planned. This includes performing duties on behalf of the Managing Director or the executive cannot perform his/her duties.

The Nomination and Remuneration Committee prepares the succession plan for the Chairman of the Executive Committee / the Managing Director and the management of the Company by considering the importance of the business operation efficiently and continuously by having a plan to select personnel that will be responsible for important management positions at all levels to be appropriate and transparent, therefore, the criteria for selecting the successors for the job are as follow.

##### 1. Chairman of the Executive Committee / Managing Director

When the position is vacant or those who are unable to perform their duties, the Company will provide a system for management in a similar order acting in a vacant position until a qualified person is selected according to the criteria set by the Company.

## 2. Executive level from the deputy director level to the director

When the position is vacant or the person in the position cannot perform the duty, the Company has planned the succession of executive level with the following process. There will be analyzing the situation of the business and personnel to be linked with the policy and strategic of the Company to develop or recruit for those who are resigned by defining knowledge and ability and being a person with a vision, knowledge and ability suitable for the culture of the organization. It is to select and evaluate the work, and assess the potential of employees to consider suitability.

### **Board of Directors' annual performance appraisal**

The Board of Directors has provided an annual performance evaluation of The Board of Directors, which is divided into as the board, individual and sub-committees. In this regard, the Company has assigned the Nomination and Remuneration Committee to be the representative in determining the criteria, and evaluating the Board of Directors and individual committees with the same assessment criteria. It is consistent with the self-assessment form of the Securities Commission including having been reviewed for consistency

Self-evaluation form for both the Board of Directors and individual directors, with assessment topics are divided into 4 main topics as follows:

1. Qualifications of directors
2. Meeting attendance
3. Roles, duties and responsibilities of the Board of Directors
4. Other matters, such as the duties of the Board Relationship with management

Self-development of the board and executive development

Individual self-evaluation form of the sub-committee of the individual Company is divided into 3 main topics as follows:

1. Structure and qualifications of sub-committees
2. Meetings of sub-committees
3. Roles, duties and responsibilities of sub-committees

The Company has a process for evaluating the Board of Directors, which the Company Secretary will send the assessment form to the directors to evaluate and return to the Company. The Company will not disclose the name of the appraisal director so that the directors are independent in the assessment results, and the Company has presented the evaluation results to the Board of Directors and individual committees to participate in the evaluation and evaluation of the performance of the directors.

**Evaluation method** Each committee will use the performance evaluation form to evaluate oneself, the entire Board of Directors and the sub-committee by using the method of identifying the opinions of each director by checking the rating box from 1-4.

Each committee will use the evaluation form for the entire Board of Directors and individual and sub-committee by using the method of identifying the opinions of each director by checking the rating box from 1-4.

Which has the following meanings: 1 = strongly disagree 2 = disagree 3 = agree 4 = strongly agree

The evaluation results of the Board of Directors, both individual and sub-committees for the year 2021 is very good

The Chairman of the Board of Directors and the Board of Directors have evaluated the performance of the managing director (CEO) by using the evaluation topics in accordance with the guidelines of the Stock Exchange of Thailand, consisting of the following topics:

1. Leadership
2. Strategy formulation
3. Strategy implementation
4. Financial planning and performance
5. Relationship with the board
6. Relations with external parties
7. Administration and relations with personnel
8. Succession
9. Knowledge of products and services
10. Personal features

The overall performance of the managing director for the year 2021 is included in the "excellent" criteria, with the company intending to evaluate the performance of the managing director on an annual basis in order to comply with good corporate governance principles

### 1) Independent Directors

The company defines qualifications for "independent directors" as follows:

1. Holds not more than 1% of shares with voting rights in the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts. This includes shares held by related persons of such independent directors.
2. Is not currently or has not been an executive director, employee, staff, consultant with monthly compensation, or a controlling person of the company, its parent company, subsidiaries, associated companies in the same level, or legal entities with possible conflicts, except refraining from such position for no less than two years before director appointment date

3. Is not connected by blood or by legal-binding registration in the form of paternity, maternity, spouse, siblings, or descendants with executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the company or its subsidiaries
4. Does not currently have or has not had business relationship with the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts which may prevent his/her exercising of independent judgment, and is not currently or has not been a major shareholder, non-independent director, or executive of the entities having business relationship with the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts, except refraining from such position for no less than two years before director appointment date
5. Is not currently or has not been an auditor of the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts, nor is a major shareholder, non-independent director, executive, or partner of the audit firm in which the auditor of the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts is employed, except refraining from such position for no less than two years before director appointment date
6. Is not currently or has not been a professional service provider, including legal advisor or financial advisor, receiving monthly compensation in the total amount of more than two million baht per year from the company, its parent company, subsidiaries, associated companies, or legal entities with possible conflicts, and in case that the mentioned professional service provider is a legal entity (not a person), the candidate for independent director must not be a major shareholder, non-independent director, executive, or partner of such professional service provider, except refraining from such position for no less than two years before director appointment date
7. Is not appointed a representative of the director of the company, its major shareholder, or a shareholder which is a related entity of the company's major shareholder
8. Does not possess other characteristics that prevent exercising of independent judgment on the business conduct of the company

## 2) Specify the method of selection of directors and high-level executives

### Nomination and Appointment of Managing Director (CEO) / Board of Directors / Senior Executives

#### Managing Director (CEO)

Following the criteria and nomination process for Managing Director (CEO), the Nomination and Remuneration Committee shall select from the existing top executives or third parties with knowledge and capabilities in managing the company's business. Also, the CEO shall have a good understanding and experiences as an organizational leadership to manage the company's business towards the achievement

of objectives and goals set by the company, as well as being a qualified person who is not prohibited by law. The nomination is proposed to the Board of Directors for further consideration and appointment.

The Nomination and Remuneration Committee shall consider according to the criteria as follows:

- 7) Being a director of the company according to the regulations
- 8) Having knowledge and abilities to manage the business, with professional skills, experience, and specific qualifications in various fields that are most essential and have the highest benefits to the company's business
- 9) Having experiences in business and organizational management
- 10) Having experiences in organizational leadership at a high level
- 11) Being recognized by the relevant business organizations
- 12) Being approved by the Board of Directors

**Nomination of Directors and Senior Executives** will be conducted through the nomination and remuneration Committee to consider and select the qualified and capable directors in accordance with the business strategy of the company. Then they propose to the board of directors and / or shareholders to consider and appoint again.

Appointment of the company's directors must comply with the company's article of associations and related laws and regulations. Meeting of shareholders consider to appoint directors of the company using majority rule with the following criteria

6. Each shareholder has voting rights equal to the number of shares held
7. Each shareholder can use his/her voting rights according to 1. to choose one candidate or more than one candidate but he/she cannot assign his/her rights to any candidate unequally
8. Candidates are ranked based on his respective votes and the candidates with top votes, the number of whom equals to the vacant director positions, are appointed as directors. In case that two or more candidates are given equal votes, resulting in the total number of eligible candidates exceeding the vacant director positions, Chairman of the meeting will exercise his authority to give the final vote.
9. In case that the director position become vacant due to the causes other than normal expiration, Board of Directors must obtain at least three-out-of-four resolution to select a qualified candidate who does not possess prohibited characteristics to assume the vacant director position in the next meeting, except when the remaining term of the replaced director is less than two months. The term of the replacing director is equal to the remaining term of the replaced director.

10. The Meeting of Shareholder may vote to cause a director to leave the position before his term using at least three-out-of-four voting rights presence in the meeting, which constitute to more than half of the total voting rights of shareholders

### 8.1.2 Meeting attendance and remuneration of the Board of Directors individually

Attendance of the Board of Directors and Board committees in meetings

Name	Board Meeting 2021 (Total Meetings / Attendance)				
	Directors	Audit Committee	Managerial	Nomination and	Risk Management
	7 times attendance in total	4 times attendance in total	Committee 12 times attendance in total	Remuneration Committee 2 times attendance in total	Committee 2 times attendance in total
Mr. Viroj Thanalongkorn	7/7	-	12/12	-	-
Mr. Bunchai Punturaumporn *	7/7	-	12/12	2/2	-
Mrs.Suchanya Thanalongkorn	7/7	-	-	-	-
Mr.Somkid Pardungkiattisak*	7/7	-	12/12	-	2/2
Ms. Duangdao Mahanavanont *	7/7	-	12/12	-	2/2
Ms. Vachirawan Yamsri	7/7	-	12/12	-	2/2
Ms. Rawewan Peyayopanakul	6/7	4/4	-	2/2	-
Mr. Somchai Vanavit	7/7	4/4	-	2/2	-
Mr. Yuthana Adipath	7/7	4/4	-	2/2	-
Ms. Pensri Suteerasan	6/7	3/4	-	-	2/2
Mr. Chakkris Uthayophas	7/7	-	-	-	-

\* Also has a position as a director of a subsidiary

Remark - Ms.Pensri Suteerasan did not attend the meeting of the Board of Directors No.6/2021 and the Audit Committee No.4/2021 on 15 November 2021 due to personal reason.

- Ms.Rawewan Peyayopanakul did not attend the meeting of the Board of Directors No.7/2021 on 16 December 2021 due to personal reason.



## Remuneration for Directors and Executives

Remuneration for Directors and Executives of year 2021 has been approved by AGM according to the proposal of the board of directors, which is considered from the Nomination and Remuneration Committee, by comparing data of the same industry, business expansion, and overall operation, including power, roles, and responsibility.

### Financial Reward

In 2021, the Board of Directors and the Executives were remunerated as follows:

Name	2021	
	Description of payment	Amount (Million Baht)
Director (as Director)		
- Mr. Viroj Thanalongkorn	- Remuneration to Chairman	0.36
	- Remuneration to Director	0.12
	- Reward to Director	0.54
- Mr. Bunchai Punturaumporn	- Remuneration to Director	0.12
	- Reward to Director	0.32
- Mrs. Suchanya Thanalongkorn	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Somkid Pardungkiattisak	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Ms. Duangdao Mahanavanont	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Ms. Vachirawan Yamsri	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Ms. Rawewan Peyayopanakul	- Remuneration to Chairman of Audit Committee	0.06
	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Somchai Vanavit	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Yuthana Adipath	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Mr. Chakkris Uthayophas	- Remuneration to Director	0.12
	- Reward to Director	0.24
- Ms. Pensri Suteerasan	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.24

Name	2021	
	Description of payment	Amount (Million Baht)
Directors & Executive (as Executive)	- Salary, position allowance and fuel allowance, cars, and bonuses.	27.60
	- Remuneration to Director	0.30

In 2021, the Company's stipulation of the remuneration is equivalent to 2019 of which the basic remuneration of all Board of Directors is equally the same with an additional payment of extra responsibilities with the followings details.

Title	Remuneration (Baht/ Month)
Director	10,000
Chairman of Board of Directors	30,000
Chairman of Executive Committee	5,000
Chairman of Audit Committee	5,000
Executive Director	5,000
Member of Audit Committee	5,000

The Directors' bonus is not over 4 million Baht per year with the quarterly payment and the Directors have the authority to allocate and stipulate the shares among themselves.

#### Other Benefits for Directors and Executives

- The Company provides 4 vehicles for the executives to use in the Company business.
- The Company provides a provident fund to employees who are members of the fund which the employees pay the accumulated and the Company pays at the following rate:
  - Department Manager and Director levels    Rate 3 or 4 or 5%
  - Deputy Managing Director and Managing Director levels    Rate 3 or 4 or 5 or 6%
 based on the income before tax of each month
- Executives level provides life insurance and group health insurance.

### 8.1.3 Supervision of subsidiaries and associated companies

#### Supervision of subsidiaries and associated companies

Board of Directors gives consent to the visions, strategies, business plans, and policies of its subsidiaries. The company holds 99.90% of the shares in its subsidiaries and practice the same supervision policy as the one practiced for the company itself, having the company's management as authorized directors and executives of subsidiaries to ensure that the visions, strategies, policies, business plans and budget consented by the Board of Directors are prudently. The company holds regular meeting with executive of its subsidiaries to make sure that its financial policy and business direction are in line with the company's objective. To ensure that the company effectively monitor and supervise the business conduct of its subsidiaries based on internal control principles, the company has set the following criteria:

- The company put in place a policy to ensure that its subsidiaries have a proper and sufficient internal control system, assigning the company's internal audit unit to regularly monitor and supervise the subsidiaries' internal control process
- The company determines directions of the subsidiaries' operation and sufficiently disclose critical information between the company and its subsidiaries or between the subsidiaries and external parties, such as related party transactions, acquisition and disposal of assets, or other significant transactions, based on regulations on disclosure
- Agreement between the company and other shareholders regarding management of the subsidiaries : None

### 8.1.4 Monitoring to ensure compliance with corporate governance policies and guidelines

#### 1. Conflicts of interest

The Board of Directors complies with the rules of the Securities and Exchange Commission (SEC) and of the Stock Exchange of Thailand (SET). The Board of Directors have clear guidelines for caring and eliminating conflicts of interest carefully with reasonableness.

In case there is a conflict of interest, the Company will disclose the information to the meeting by specifying the value of the transaction, the contract party, the reason of the necessity of such transaction with transparent information that can be checked. If any transaction must be approved by the Board of Directors and the shareholders' meeting, such transactions will be considered and screened by the Audit Committee first, and will give an opinion on the said transaction.

In addition, the Board of Directors also stipulates rules and regulations for directors, executives and related persons to report their own interests or related persons, which is a vested interest in the management of the business of the Company or subsidiary in order for the Company to have information for the

implementation of the regulations regarding connected transactions through the meeting agenda of the Board of Directors every quarter

The Company has disclosed related party transactions with persons who may have conflicts in 2021. In addition, the Board of Directors has commented that all related transactions are reasonable and beneficial to the business operations of the Company in accordance Office requirements SEC (Details in Section 9 Internal Control and Connected Transactions)

## **2. Prevention of use of inside information**

The Board of Directors prohibits the executives and staff members who are aware of the internal information to use such information that has not been disclosed to the public, especially if such information might affect the change of the Company's securities value, from buying or selling the Company's securities during the 7-day period before the financial statements are disclosed to the public. Failure to comply and using an undisclosed internal information to seek one's own benefits is held as disciplinary misconduct according to the Company's regulations. One should refrain from buying or selling the securities, or wait until investors are aware of the information at least 24 hours after the information disclosure. If the information is complicated, the waiting period shall be 48 hours after the information has been disclosed. Furthermore, if directors and executives buy or sell the Company's securities, one must notify the Securities and Exchange Commission, the Stock Exchange of Thailand and the Company every time.

In this regard, the Company has regulated that directors and top-level executives must notify the Board of Directors regarding their securities trading at least 1 day prior to making the transactions.

The Company has regulated that directors must disclose their securities trading or ownership of the Company's securities to the Board of Directors' meeting every time.

The Board of Directors has also reported the holding of securities of the directors, Executive directors and executives including the legitimate family of all directors have a duty to report securities holdings and changes in securities holdings to the Securities and Exchange Commission of Thailand (SEC).

## **3. Anti-corruption and paying bribes for business benefits**

The Board of Directors has a policy for anti-corruption and the Company has signed a declaration of intention in the Private Sector Collective Action Coalition against Corruption Project. The Company also determines all directors, executives and employees of the Company and its subsidiaries to comply with the Anti-corruption policy by setting policies that focus on cultivating awareness among employees and executives at all levels to recognize the disadvantages of corruption and creating good values. This is to develop the organization to be accurate, transparent, and efficiently monitored without causing any risk of damage to the business. This includes clearly defining policies relating to corruption, therefore, in order to prevent such problems and strictly comply with relevant laws. the Company has determined the executive directors and employees of the Company, and every subsidiary to comply with the anti-corruption policy as follows.

- To focus on cultivating awareness among employees and executives at all levels realizing the disadvantage of corruption. This includes creating good values in order to develop the organization to be accurate, transparent, and efficiently monitored.
- To requires the directors and all employees must comply with the anti-corruption policy without being involved in corruption whether directly or indirectly for the benefits of both the Company and the family, friends and acquaintances.
- To create an internal control system prevents corruption, which result in transparency and good corporate governance, to be physically created and examined.
- The Company has measures to protect the complainant in reporting complaints and complaints by keeping the information received from the complainant in secret and considering the safety of the complainant important, which will be protected from unfair practices.
- Corruption is a violation of the business ethics of the Company, which will be subject to disciplinary action according to the regulations set by the Company if the action is illegal.
- The Company recognizes the importance of communication and public relations to create knowledge and to understand the directors, employees and related parties in matters that must be complied with anti-corruption policy.

In this regard, the policy determination, practice, including the creation of internal control systems to prevent corruption will result in transparency and good corporate governance. This can be examined by the said policy as a measure against corruption that may occur. This includes finding suitable solutions and sets up channel for clues or complaints to the Company's audit department and the independent directors of the Company, which the Company has published such policies on the Company website [www.sabina.co.th](http://www.sabina.co.th) (as per Article 5.Responsibility Environmental, Social and Governace (ESG) topic in Attachmet 6 Sustainability Report).

#### **4. Measures for reporting clues, complaints and protection of complainants**

The Company provides measures for whistleblowing, complaints, illegal actions, codes of conduct, or behaviors that may cause corruption or misconduct. of personnel in the company both from employees Related person and stakeholders There are channels for reporting complaints and suggestions. through the internal audit department which acts as a complaints department and suggestions as follows

##### **Measures for reporting clues, complaints and protection of complainants**

The company provided opportunities for the company's personnel, related persons, and all groups of stakeholders to directly contact / complain about problems or matters to the Board of Directors. There were channels for reporting clues and complaints to guide the development and create sustainability for the organization as follows:

- Complaint recipients gather facts that related to violations or not complying following the Company's anti-corruption policy.
- Complaint recipients report the facts to the independent directors to investigate the facts to consider the complaint by identifying matters related to anti-corruption policies, dividing into political support, financial support and donations for charity, and receiving gifts, property or other benefits.
- The complaint recipients presented to the Anti-Corruption Commission for investigation of the facts with a period not exceeding 30 days from the date of receiving complaints, along with setting measures for actions in order to stop the violation or non-compliance with the anti-corruption policy. The Anti-Corruption committee would screen the information and send it to the company's Board of Directors for further considerations.
- The recipient of the complaint is responsible for reporting the investigation result to the complainant. If the complainant discloses himself in the case that is important. The recipient of the complaint reports the investigation result to the Chairman, and / or the Board of Directors to acknowledge.
- If the accused acting in real corruption is considered a violation of anti-corruption policy, he/she must be considered disciplinary punishment according to the Company's regulations. In case of violating the law, he/she must continue to receive legal penalties.

#### Channels for reporting complaints

- Internal Audit Department via e-mail : [GRP\\_AUDIT\\_HO@sabina.co.th](mailto:GRP_AUDIT_HO@sabina.co.th)
- Internal Audit Department via phone : 02-422-9400 dial 9309, 9404
- Internal Audit Department via mail : Internal Audit Department via phone
- Or report directly through the audit committee

Mail: Sabina Public Company (Limited)  
12 Arun Amarin Road Kwang Arun Amarin  
Ket Bangkoknoi Bangkok 10700

The general complaint will be collected by the secretary of the audit committee to report to the audit committee directly and the company will take further steps.

#### Protection of complainants

- Complainants can choose not to reveal themselves for security reasons/ However, if the complainants choose to reveal his/her identity, the company can report progress and explain facts to the complainant.
- The recipients of the complaint must confidentially keep the information and prioritize the safety of the complainant. By providing protection for the complainant and / or the person who provide the information

and / or data verification cooperation, they will be protected from unfair practices, such as changing job positions, job characteristics, workplaces, work orders, intimidation, interference with employment, termination due to the cause of complaint, etc. General information will be kept confidentially only to the Chairman of the Executive Committee and / or the Audit Committee and to be confidentially and directly kept by the Board of Directors and the Audit Committee.

In addition, the company provides channels for clues reporting or complaints for any related personnel to file a complaint in the event of a violation of the law and the code of ethics of senior management. The violation of the company's business ethics includes the behavior that implies corruption and inequality, via the following methods

Mail: : Chairman of the Executive Committee or Chairman of the Audit Committee  
Sabina Public Company (Limited)  
12 Arun Amarin Road Kwang Arun Amarin Ket Bangkoknoi Bangkok 10700

The general complaint information will be confidentially kept only to the Chairman of the Executive Committee and / or the Audit Committee. The company will not disclose the information of the whistleblowers and treat them fairly. As for the misconduct of top management, the complaint will be collected directly by the audit committee and the company will take further steps.

## **8.2 Report on the performance of the Audit Committee within the past year**

The Company discloses a report on the performance of the Audit Committee for the past year in Attachment 8 Audit Committee Report.

## **8.3 Summary of the Performance of Other Sub-Committees**

The Company discloses reports on the performance of other committees for the past year in Attachment 9 Report of the Nomination and Remuneration Committee and Attachment 10 Report of the Risk Management Committee.

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## 9. Internal Control and Related Transactions

### 9.1 Internal Controls

#### Internal control and risk management

Internal control of the company is investigated and reviewed by Internal Audit Office and process and procedures in each department of the company and its subsidiaries are reviewed based on Audit Plan agreed by Management. The company's Audit Committee reviews internal control system and internal audit system of the company and its subsidiaries to ensure appropriateness and effectiveness.

In Meeting of the Board of Directors No. 1/2022 dated February 21<sup>ST</sup>, 2022, the Board of Directors, accompanied by three audit committees, evaluated adequacy of internal control system by reviewing evidence presented by the company's executives and evaluation form for adequacy of internal control prepared by Audit Committee and Management to evaluate internal control system of the company and its subsidiaries in many aspects, including enterprise and environment aspect, risk management aspect, Management's operation control aspect, information and communication aspect, and tracking and measurement aspect. From the evaluation of internal control system of the company and its subsidiaries, the Board viewed that the company and its subsidiaries have adequate and appropriate internal control system that allows transparent and efficient management and operation of the company and its subsidiaries.

### 9.2 Related Transactions

#### Connected Transactions between the Company, Subsidiary and Other Persons that May Create Conflict of Interests

According to the Auditor, in the year 2021, Sabina Public Company Limited and Sabina Fareast Co., Ltd. made connected transactions that may create conflict of interests. The details are shown in the table below:



Related Companies	Relationship	Nature of transaction	Value (Million Baht)	Opinion of Audit Committee/ Necessity and reasonableness of the transactions
Sabina Fareast Co., Ltd	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Purchase material, such as fabric, lace, and rubber	21.87	<p>Goods purchased from Sabina Fareast Company Limited is offered with pricing and payment conditions similar to the goods purchased from other suppliers.</p> <p><u>Necessity of the transaction:</u> Generally, the company and its subsidiaries do not have the policy to collectively purchase materials through a subsidiary. Nevertheless, in the cases where bulk purchase results in bargained reduced price, the company and its subsidiaries will do so collective purchasing.</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal business transaction having market price as reference price. Payment condition is the same as the conditions of unrelated companies.</p>
		Purchase finished goods	-	

Related Companies	Relationship	Nature of transaction	Value (Million Baht)	Opinion of Audit Committee/ Necessity and reasonableness of the transactions
Sabina Fareast Co., Ltd	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Sell finished goods	515.37	<p>The company' sales of goods and materials to Sabina Fareast Company Limited are normal business transactions with normal pricing and payment conditions.</p> <p><u>Necessity of the transaction:</u> The company manages production capacity of each production unit collectively. Thus, in the situation where the company has excess capacity while its subsidiary reaches full capacity, the company will buy material and produce the goods (undergarment) and sell finished goods to its subsidiary.</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal business transaction having market price as reference price. Payment condition is the same as the conditions of unrelated companies.<sup>2</sup></p>
		Sell material	-	

Related Companies	Relationship	Nature of transaction	Value (Million Baht)	Opinion of Audit Committee/ Necessity and reasonableness of the transactions
Sabina Fareast Co., Ltd.	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Revenue from undergarment sewing service	39.39	<p>The company offered sewing service to Sabina Fareast Company Limited as a normal business transaction with normal pricing and payment conditions.</p> <p><u>Necessity of the transaction:</u> The company does not mainly and continually offer sewing service to subsidiary. This transaction was temporarily offered because the company wanted to best utilize its excess capacity at the time.</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal hiring transaction having market price as reference price. Payment condition is the same as the conditions of unrelated companies.</p>
Sabina Fareast Co., Ltd.	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Cost of Undergarment cutting	16.09	<p>The cost of undergarment cutting that the company compensated Sabina Fareast Company Limited for its cutting service has the same pricing and payment conditions as in the normal course of business.</p> <p><u>Necessity of the transaction:</u> The company manages production capacity of each production unit collectively. Thus, the company allocates undergarment cutting jobs to each and every production unit.</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal hiring transaction having market price as reference price. Payment condition is the same as the conditions of unrelated companies.</p>

Related Companies	Relationship	Nature of transaction	Value (Million Baht)	Opinion of Audit Committee/ Necessity and reasonableness of the transactions
Sabina Fareast Co., Ltd.	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Rental fee	0.23	On Feb 15 <sup>th</sup> , 2019, the company rented out the space in its Yasothorn factory to Sabina Fareast Company Limited, using rental fee in the nearby area as reference rate. <u>Opinion of Audit Committee:</u> The transaction is considered a normal rental transaction having market rate as reference.
Sabina Fareast Co., Ltd.	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Rental fee for office space and warehouse	1.71	On Jun 1 <sup>st</sup> , 2019, the company rented out its office space and warehouse space to Sabina Fareast Company Limited, using rental fee in the nearby area as reference rate. <u>Opinion of Audit Committee:</u> The transaction is considered a normal rental transaction having market rate as reference.
Sabina Fareast Co., Ltd.	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Dividend	205.69	The company received dividends from Sabina Fareast Company Limited.
Sabina Fareast Co., Ltd.	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Account receivable	233.36	Payment condition is similar to normal, non-related account receivables of Sabina Public Company Limited

Related Companies	Relationship	Nature of transaction	Value (Million Baht)	Opinion of Audit Committee/ Necessity and reasonableness of the transactions
		Account payable	7.39	<p>Payment condition is similar to normal, non-related account payables of Sabina Public Company Limited</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal business transaction with market reference. Payment condition is the same as the conditions set for unrelated companies.</p>
Sabina Fareast Co., Ltd.	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Interest income	4.03	Interest income arose from the company's lending to Sabina Fareast Company Limited with interest rate of 3.00 % per annum, which is higher than fixed deposit rate offered by commercial banks.
Sabina Fareast Co., Ltd.	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Borrowing	183	The company had excess liquidity so it lent to Sabina Fareast Company Limited to repay the loans with other financial institutions.

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**Measures or approval processes for related party transactions (RPTs)**

Board of Directors gave unanimous resolution that any transactions between the company and persons with possible conflicts must be brought to consideration and subject to approval by the Meeting of Board of Directors. The Meeting must be joined by Audit Committee to ensure that the transactions are treated fairly and reasonably with appropriate pricing policy that prioritizes the company's benefits. Directors with possible conflict of interest are prohibited from voting in such transactions.

**Policy on or tendency of future related party transactions**

Meeting of Board of Directors of Sabina Public Company Limited No. 11/2008 dated June 10<sup>th</sup>, 2008 resolved to determine the approval criteria for future related party transactions (RPTs) by categorizing into two RPT types, i.e. normal and frequent trading transactions and infrequent transactions, and to form the policy for future financial support. Details of the RPT approval are as follows:

1. Normal and frequent trading transactions

Normal trading transactions, such as purchase of material, are the transactions expected to frequently take place in the future as they are involved in normal business operations. The company determined criteria and guidelines in handling these transactions by ensuring that the terms and conditions for RPTs are compatible with non-RPT transactions, applying market (fair) prices and reasonable and verifiable conditions. In practice, Audit Committee is responsible for approving the RPT criteria and guidelines as well as for checking and reviewing RPTs periodically.

2. Special and infrequent transactions

Audit Committee is responsible for judging on reasonableness of the transactions and appropriateness of the pricing for special and infrequent transactions, such as sale and purchase of shares. If Audit Committee is not experienced in evaluating such transactions, the company will arrange to appoint independent expert or the company's auditor to investigate such transactions. Opinions of the expert or the auditor will be used to support approval decision to be made by the Board of Directors or the Meeting of Shareholders, as the case may be according to relevant regulations.

3. Policy on Financial Support

Policy on financial support in the future includes the granting of personal guarantee by major shareholder and/or the company's directors against bank loans of the company or its subsidiaries without guarantee fee and financial support from the company to its subsidiaries.

Future related party transactions must comply with the rules, regulations, and announcement made by Securities Exchange Commission and Stock Exchange of Thailand. Internal Audit Unit will randomly check related party transactions and present to Audit Committee in its regular meeting. Besides, the company will disclose related party transactions in audited Notes to Financial Statement in Form 56-1 and Form 56-2, consistent with generally accepted accounting standard.

Part 3  
Financial

**SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
AND  
INDEPENDENT AUDITOR'S REPORT**

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## **INDEPENDENT AUDITOR'S REPORT**

**To The Shareholders and Board of Directors of SABINA PUBLIC COMPANY LIMITED**

### **Opinion**

I have audited the consolidated financial statements of Sabina Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Sabina Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2021, and the related consolidated and separate statements of changes in equity, income, comprehensive income, 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 accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Sabina Public Company Limited and its subsidiaries and of Sabina Public Company Limited as of December 31, 2021, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matters included Audited Procedures are as follows:

#### **Presentation of inventories valuation (the consolidate and separated financial statements)**

As describe in note 2.3 and note 7 to the financial statement, the Group has significant amount of inventories which stated at the lower of cost and net realizable value. Most of inventories aging are not long, due to main business of the Group is manufacturing and distribute ready-made clothes, which the main products are underwear. And the management used information from inventories aging analysis report and individual obsolete stock analysis report to consider the allowance for inventories declining value, therefore, I have identified that the valuation of inventories is the significant matter that requires special attention in the audit.

#### **My Audited Procedures to the Key Audit Matters**

I assessed and tested the internal control related to the calculation of inventories cost, observed the inventory count, checked the aging report of inventories, inquired the management, and considered reasonableness of the policy regarding setup allowance for inventories declining value, and tested compliant of the allowance for inventories declining value to the policy. Including test the calculation of the allowance for inventories declining value by comparing cost of inventories and net realizable value. Additionally, I considered the adequacy of information disclosure related to the measurement of inventories.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in the annual report of the Group, but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate 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 consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and the management of the Group.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and 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 Group's and 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 consolidated and separate financial statements of the current year 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.



(NATSARAK SAROCHANUNJEEN)  
Certified Public Accountant  
Registration No. 4563

A.M.T. & ASSOCIATES  
Bangkok, Thailand  
February 21, 2022

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2021.

	NOTE	Baht			
		Consolidated Financial Statement		Separarate Financial Statement	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	79,824,352.86	62,881,680.45	11,694,724.14	22,054,880.32
Trade receivables and other current receivables					
Trade receivable - net					
- Related parties	3.1	-	-	233,363,965.05	332,744,713.86
- Other parties	6	403,813,107.83	399,357,325.37	13,808,640.10	12,158,715.95
Other receivables					
- Other parties		41,647,351.19	36,953,284.76	1,019,048.62	984,600.71
Short-term loan to related party	3.2	-	-	183,000,000.00	125,000,000.00
Inventories - net	7	1,260,296,814.21	1,403,950,632.05	57,873,983.59	70,727,441.39
Other current financial assets	5	273,835,254.58	161,958,648.06	273,835,254.58	161,958,648.06
Other current assets					
Prepaid output VAT		81,089,123.17	93,865,345.29	-	-
Others		4,501,067.53	3,698,813.78	296,500.00	375,000.00
Total current assets		2,145,007,071.37	2,162,665,729.76	774,892,116.08	726,004,000.29
NON-CURRENT ASSETS					
Investment in subsidiary company	1.5	-	-	144,849,500.00	144,849,500.00
Other non-current financial assets	8	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00
Property, plant and equipment - net	9	243,625,585.54	267,505,380.57	50,352,040.65	59,972,719.60
Intangible asset	10	15,921,160.66	13,534,319.71	2,408,219.00	2,324,219.00
Assets usage rights	11	41,796,561.84	63,947,102.38	5,090,524.45	5,903,530.30
Deferred tax assets	19.4	203,842,951.58	241,099,144.51	19,820,171.38	28,311,152.98
Others non-current assets - Deposit		48,120,614.44	50,189,783.80	247,440.00	171,840.00
Total non-current assets		558,306,874.06	641,275,730.97	227,767,895.48	246,532,961.88
TOTAL ASSETS		2,703,313,945.43	2,803,941,460.73	1,002,660,011.56	972,536,962.17

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

(Signed).....Director

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2021

		Baht			
		Consolidated Financial Statement		Separarate Financial Statement	
	NOTE	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from -					
- financial institutions	12	394,598,236.63	558,821,115.37	-	-
Trade payables and other current payables					
Trade payable					
- related parties	3.3	-	-	7,394,197.59	4,342,499.64
- other parties		147,836,128.82	108,169,465.81	37,513,750.71	55,331,442.10
Other payables	13	103,810,840.14	104,572,539.00	30,812,103.77	30,441,649.32
Finance leasw liabilities - Assets usage rights-					
-current portion of- Assets usage rights	14	20,276,313.31	36,152,131.83	2,290,232.17	3,209,852.73
Accrued income tax		21,348,780.67	11,104,448.94	13,059,827.33	9,018,062.68
Revenue Department		23,059,922.22	33,964,085.22	2,485,210.94	4,704,975.58
Total current liabilities		710,930,221.79	852,783,786.17	93,555,322.51	107,048,482.05
NON-CURRENT LIABILITIES					
Liabilities under lease agreements - Assests usage rights	14	20,181,292.69	23,578,162.87	2,854,566.59	2,736,752.98
Non-current liabilities budget for -					
- employees' benefit obligation	15	137,039,161.67	125,853,851.67	77,186,062.33	70,914,470.33
Employees' deposit		5,942,500.00	6,617,000.00	54,000.00	54,000.00
Total non-current liabilities		163,162,954.36	156,049,014.54	80,094,628.92	73,705,223.31
Total liabilities		874,093,176.15	1,008,832,800.71	173,649,951.43	180,753,705.36

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## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2021

		Baht			
		Consolidated Financial Statement		Separate Financial Statement	
	NOTE	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
SHAREHOLDERS' EQUITY					
Share capital - Par value Baht 1 each					
Authorized share capital					
Common share 347,500,000 shares of Baht 1 each	16	347,500,000.00	347,500,000.00	347,500,000.00	347,500,000.00
Issued and paid - up share capital					
Common share 347,500,000 shares of Baht 1 each		347,500,000.00	347,500,000.00	347,500,000.00	347,500,000.00
Premium on share capital		275,164,000.00	275,164,000.00	275,164,000.00	275,164,000.00
Retained earnings					
Appropriated – legal reserve	17	49,250,000.00	49,250,000.00	34,750,000.00	34,750,000.00
Unappropriated		1,183,185,604.91	1,188,054,695.65	197,474,895.76	199,229,292.44
Total other components of equity		(25,878,835.63)	(64,860,035.63)	(25,878,835.63)	(64,860,035.63)
Total equity of the Parent		1,829,220,769.28	1,795,108,660.02	829,010,060.13	791,783,256.81
Non-controlling interests					
Total shareholders' equity		1,829,220,769.28	1,795,108,660.02	829,010,060.13	791,783,256.81
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,703,313,945.43	2,803,941,460.73	1,002,660,011.56	972,536,962.17

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

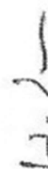
(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2021

BAHT

	Retained earnings					Others			
	Issued and paid-up share capital	Premium on share capital	Appropriated legal reserve	Unappropriated	Comprehensive Income		Total Other components of equity	Total Equity of the Parent	Non Controlling Interests
					Gain (loss) from valuation of Other current financial assets	Gain (loss) on actuarial estimates			
<b>NOTE</b>									
Balance as of January 1, 2020	347,500,000.00	275,164,000.00	49,250,000.00	1,248,572,922.94	(59,546,835.63)	-	(59,546,835.63)	1,860,940,087.31	-
Changes in shareholders' equity for the year									
Total comprehensive income (loss) for the year	-	-	-	276,811,117.71	(5,313,200.00)	-	(5,313,200.00)	271,497,917.71	-
Dividend Paid	-	-	-	(337,329,345.00)	-	-	-	(337,329,345.00)	-
Balance as of December 31, 2020	347,500,000.00	275,164,000.00	49,250,000.00	1,188,054,695.65	(64,860,035.63)	-	(64,860,035.63)	1,795,108,660.02	-
Balance as of January 1, 2021	347,500,000.00	275,164,000.00	49,250,000.00	1,188,054,695.65	(64,860,035.63)	-	(64,860,035.63)	1,795,108,660.02	-
Changes in shareholders' equity for the year									
Total comprehensive income (loss) for the year	-	-	-	294,194,619.26	38,981,200.00	-	38,981,200.00	333,175,819.26	-
Dividend Paid	-	-	-	(299,063,710.00)	-	-	-	(299,063,710.00)	-
Balance as of December 31, 2021	347,500,000.00	275,164,000.00	49,250,000.00	1,183,185,604.91	(25,878,835.63)	-	(25,878,835.63)	1,829,220,769.28	-

The accompanying notes to financial statements are an integral part of these financial statements.



(Signed).....Director



(Signed).....Director

## BAHT

The accompanying notes are an integral part of these financial statements.



(Signed).....Director



SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

		B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		For the year ended December 31		For the year ended December 31	
NOTE		2021	2020	2021	2020
<b>REVENUES</b>					
	Revenues from sales - net	2,612,548,162.88	2,862,208,720.89	570,381,053.13	613,388,793.22
	Revenues from services	18,808,827.10	35,797,195.30	52,004,123.10	92,702,396.00
	Revenues from dividend				
	- related parties	-	-	205,686,290.00	244,795,655.00
	- other parties	4,074,500.00	2,154,000.00	4,074,500.00	2,154,000.00
	Other incomes	20,235,761.47	13,671,115.60	10,065,076.97	7,161,359.94
	Total Revenues	3.4 2,655,667,251.45	2,913,831,031.79	842,211,043.20	960,202,204.16
<b>EXPENSES</b>					
	Cost of sales and services	1,345,765,461.91	1,524,803,511.99	470,302,728.58	568,417,096.92
	Cost of distribution	774,670,120.44	863,108,099.89	1,818,079.91	842,385.38
	Administrative expenses	162,206,575.09	171,033,442.79	51,717,570.66	56,099,328.64
	Total Expenses	3.4 2,282,642,157.44	2,558,945,054.67	523,838,379.15	625,358,810.94
	PROFIT BEFORE FINANCIAL EXPENSES AND INCOME TAX	373,025,094.01	354,885,977.12	318,372,664.05	334,843,393.22
	Financial expenses	(4,913,163.42)	(9,101,122.69)	(99,970.48)	(109,133.38)
	PROFIT BEFORE INCOME TAX	368,111,930.59	345,784,854.43	318,272,693.57	334,734,259.84
	INCOME TAX EXPENSE	19.1, 19.3 (73,917,311.33)	(68,973,736.72)	(21,177,090.25)	(16,963,922.05)
	PROFIT FOR THE PERIODS	294,194,619.26	276,811,117.71	297,095,603.32	317,770,337.79
<b>Net income attributable to :</b>					
	Equity holders of the parent	294,194,619.26	276,811,117.71	297,095,603.32	317,770,337.79
	Non - controlling interests	-	-	-	-
		294,194,619.26	276,811,117.71	297,095,603.32	317,770,337.79
<b>BASIC EARNINGS PER SHARE</b>					
	Earnings (loss) per share (Baht)	0.85	0.80	0.85	0.91
	Number of weighted average common shares (shares)	347,500,000	347,500,000	347,500,000	347,500,000

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

(Signed).....Director



SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2021

	NOTE	B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		For the year ended December 31		For the year ended December 31	
		2021	2020	2021	2020
PROFIT FOR THE YEARS		294,194,619.26	276,811,117.71	297,095,603.32	317,770,337.79
Other comprehensive income;					
<i>Item that will be reclassified subsequently to profit or loss :</i>					
Gain (loss) from measurement - fair value of financial assets					
-Marketable equity securities	5.2	48,726,500.00	(6,641,500.00)	48,726,500.00	(6,641,500.00)
Income tax related to other components of equity	19.2	(9,745,300.00)	1,328,300.00	(9,745,300.00)	1,328,300.00
Other comprehensive income for the period - profit net		38,981,200.00	(5,313,200.00)	38,981,200.00	(5,313,200.00)
Total comprehensive income for the year		333,175,819.26	271,497,917.71	336,076,803.32	312,457,137.79
Total comprehensive income attributable to :					
Equity holders of the parent		333,175,819.26	271,497,917.71	336,076,803.32	312,457,137.79
Non - controlling interests		-	-	-	-
		333,175,819.26	271,497,917.71	336,076,803.32	312,457,137.79

*The accompanying notes to financial statements are an integral part of these financial statements.*

(Signed).....Director

(Signed).....Director



## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	NOTE	B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		For the year ended December 31		For the year ended December 31	
		2021	2020	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>					
Net profit		294,194,619.26	276,811,117.71	297,095,603.32	317,770,337.79
Adjustments to reconcile net profit to net cash proceed (paid)					
Depreciation	9	39,018,410.16	43,681,704.91	10,941,405.89	12,105,336.96
Depreciation - Assests usage right	11	41,055,257.33	-	3,458,414.49	-
Amortization	10	1,427,413.65	10,097,666.92	-	-
Employees' benefits obligation	15	23,108,947.00	21,458,128.00	11,219,188.00	10,622,674.00
Loss (gain) from disposal of property		(254,828.86)	(1,256,185.18)	(98,711.36)	(658,818.60)
Unrealised (gain) loss on exchange rate		(643,444.66)	581,100.27	(353,230.27)	98,145.81
Interest expenses		4,913,166.42	9,101,122.69	99,970.48	109,133.38
Current tax expense	19.1	46,406,418.41	51,050,242.30	22,431,408.66	18,034,560.87
Deferred tax expense (income)	19.1	27,510,892.93	17,923,494.42	(1,254,318.40)	(1,070,638.82)
Trade receivable - related parties		-	-	99,380,748.81	20,456,331.91
Tade receivable - other parties		(4,455,782.46)	18,057,303.65	(1,649,924.15)	(1,990,167.11)
Other receivable					
- Other parties		(4,694,066.43)	37,271,636.88	(34,447.91)	(198,361.96)
Inventories		143,653,817.84	159,837,236.38	12,853,457.80	43,966,405.86
Other current assets		11,973,971.37	10,974,099.82	78,500.00	(67,667.97)
Other non-current assets					
- Assets usage rights		(18,904,716.79)	(63,947,102.38)	(2,645,408.64)	(5,903,530.30)
- Others		2,069,169.36	(1,483,993.52)	(75,600.00)	-
Operating liabilities Increase (decrease)					
Trade payables - realted party		-	-	3,051,697.95	1,876,819.37
Trade payables - other parties		40,310,107.67	(62,556,205.10)	(17,464,461.11)	(6,301,085.85)
Other payables		(812,162.19)	(91,920,220.12)	370,454.45	(39,652,739.60)
Other current liabilities - others		(10,904,166.00)	13,002,383.07	(2,219,764.65)	(1,360,492.44)
Others non-current liabilities					
Liabilities under lease agreements - Assests usage rights		(3,396,870.18)	23,578,162.87	117,813.61	2,736,752.98
Employees' benefit obligation	15	(11,923,637.00)	(11,257,405.00)	(4,947,596.00)	(5,269,480.00)
Employee deposit		(674,500.00)	(114,500.00)	-	-
Net cash received (paid) from operation		618,978,016.83	460,889,788.59	430,355,200.97	365,303,516.28
Payment of interest expenses		(4,862,703.09)	(8,996,534.08)	(99,970.48)	(109,133.38)
Payment of Corporate income tax		(36,162,086.68)	(121,966,362.84)	(18,389,644.01)	(16,454,881.42)
Net cash provided by (Used in) operating activities		577,953,227.06	329,926,891.67	411,865,586.48	348,739,501.48

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## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

B A H T					
		Consolidated Financial Statement		Separarate Financial Statement	
		For the year ended December 31			
	NOTE	2021	2020	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES :					
Cash proceed (paid) on other current financial assets	5.1	(63,150,106.52)	9,345,384.96	(63,150,106.52)	9,345,384.96
Cash (paid) for short-term loan to subsidiary	3.2	-	-	(58,000,000.00)	(21,000,000.00)
Acquisition of property, plant and equipment	9	(15,139,115.13)	(29,099,963.07)	(1,321,024.94)	(567,788.59)
Acquisition of asstrs usage right		(160,000.00)	-	-	-
Cash received from sales of property and equipment		255,328.86	1,256,201.18	99,009.36	658,834.59
Acquisition of intangible assets		(3,654,254.60)	(6,269,537.08)	(84,000.00)	(1,284,170.00)
Net cash provide by (Used in) investing activities		(81,848,147.39)	(24,767,914.01)	(122,456,122.10)	(12,847,739.04)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend Paid	18	(299,063,710.00)	(337,329,345.00)	(298,850,000.00)	(337,075,000.00)
Bank overdrafts and short-term loans received from	16				
- financial institutions increase(decrease)		(164,222,878.74)	(6,246,606.47)	-	-
- payment for lease payable - assets usage rights	14	(15,875,818.52)	36,152,131.83	(919,620.56)	3,209,852.73
Net Cash Provided by (Used in) Financing Activities		(479,162,407.26)	(307,423,819.64)	(299,769,620.56)	(333,865,147.27)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - NET		16,942,672.41	(2,264,841.98)	(10,360,156.18)	2,026,615.17
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4	62,881,680.45	65,146,522.43	22,054,880.32	20,028,265.15
CASH AND CASH EQUIVALENTS, END OF PERIOD	4	79,824,352.86	62,881,680.45	11,694,724.14	22,054,880.32

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

(Signed).....Director

## SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

**1. GENERAL INFORMATION****1.1 Corporate Information**

SABINA PUBLIC COMPANY LIMITED (Formerly J & D Apparel Company Limited) was incorporated as a limited company under the Civil and Commercial Code on August 17, 1995, and changed its status to a Public Company Limited under the Public Company Limited Act and changed its name to be SABINA PUBLIC COMPANY LIMITED on May 18, 2007. The address of the head office is 177 Moo 8, Wang kaituen Sub-district, Han-ka District, Chai-nart Province. There is a plant as its branch at 236 Moo 10, Doo Tung Sub-district, Mueng District, Yasothon Province. The company gets privilege in investment promotion from The Board of Investment. On December 28, 2010, the company established two factory's branches which located at 81 and 106 Moo 6, Nhong-Boht Sub-district, Nang-Rong District, Burirum province. The company operates its business in Thailand and the main business is producing and distributing ready made clothes which main product is lady's underwear.

SABINA FAREAST COMPANY LIMITED which is a subsidiary, was incorporated as a limited company under the Civil and Commercial Code on January 11, 1977. The address of the head office is 12 Arun-Amarin Road, Arun-Amarin Sub-district, Bangkok Noi District, Bangkok Province. There are plants, which Ta Pra plant located at 93/8 Soi Pet Ka Seam 7, Pet Ka Seam Road, TA PA Sub-district, Bangkok Yai District, Bangkok Province, and Budhamonthon Soi 5 plant located at Rai Keing Sub-district, Sam Pran District, Nakhonpathom Province. The subsidiary company operates its business in Thailand and the main business is producing and distributing ready made clothes which main product is lady's underwear.

**1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group's management will continue to monitor the ongoing developments and regularly assess 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.

And, in the 1<sup>st</sup> quarter of year 2021, the Group has decided to discontinue application of the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic for all temporary relief measures on accounting alternatives, which the Group had complied in year 2020, due to the expiration of the period of use of relief measures, which the cancellation of the said Accounting Guidance with no significant impact on the Group's financial statements.



### 1.3 **Basis for preparation of financial statements**

The company's financial statements have been prepared in accordance with financial reporting standards including guidelines promulgated by the Federation of Accounting Professional

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

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

### 1.4 **Basis for preparation of consolidated of interim financial statements**

The consolidated financial statements incorporated the financial statements of Sabina Public Company Limited and Sabina Fareast Company Limited, its subsidiary, which 99.90 % of share hold by the Company (treated 100% in the consolidate preparation), and being under common controls with the Company. For the purpose of the consolidation, all significant inter-company transactions and all inter-company account balances have been eliminated.

### 1.5 **Related parties**

Enterprises that directly or indirectly control by the Company, or are under common shareholders/ director controls are as follows:

Name	Type of business	Relationship	Share holding (%)
<u>Subsidiary</u>			
- Sabina Fareast Co., Ltd.	Producing and distributing ready made clothes and lady's underwear	Shares holding and joint directors	99.90%

The consolidated financial statements incorporated the financial statements of Sabina Public Company Limited and Sabina Fareast Company Limited, its subsidiary, which 99.90 % of share hold by the Company (treated 100% in the consolidate preparation), and being under common controls with the Company. For the purpose of the consolidation, all significant inter-company transactions and all inter-company account balances have been eliminated.

## **1.6 Adoption of new financial reporting standards**

### **1.6.1 Financial Reporting Standards which are effective in the current period**

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 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 Group's financial statements.

### **1.6.2 Financial Reporting Standards which are not effective for the current year**

During the year, the Federation of Accounting Professions has revised financial reporting standards, which are effective for financial statements year beginning on or after January 1, 2022 is as follows:

Financial Reporting Standard

TFRS 1 First-time Adoption of Financial Reporting Standards

TFRS 16 Lease

The management of the Group has assessed that TFRS 1 and TFRS 16 will not have impact on the financial statements when they are applied.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The company has significant accounting policies as follows :-

### **2.1 Revenue and expense recognition**

The company records revenue and expenses on an accrual basis.

- Sales revenue are recognized as revenue once the goods have been transferred to customers, that is, when the goods are delivered, except in the case of revenue from sales of products manufactured by customers with special orders will recognize income by considering the stage of work completion
- Service income will be recorded as income by considering Stage of success
- Interest income is recognized as income on an accrual basis, taking into account the real rate of return.

Dividends are recognized as income when the company has the right to receive dividends.

### **2.2 Cash and cash equivalents**

Cash and cash equivalents presented in the statement of cash flows consist of cash on hand, and banks saving and current deposits with an original maturity of three months or less.

### **2.3 Inventories**

Inventories, working process and raw material are stated at the lower of cost (FIFO) or net realizable value.

Company has estimated amount of inventory impairment or inventory obsolete to be expenses by considering of the condition of inventories and trend of consumer preference.

## 2.4 Investments in subsidiary

Investments in subsidiary, which is the companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the financial and operating policies, has been consolidated. Subsidiary is consolidated from the date on which effective control is transferred to the Group and is no longer consolidated from the date of disposal. All inter-company transactions, balances and unrealized gains (losses) on transactions between group companies have been eliminated.

Investment in subsidiary (in the Separate financial statements) is stated at the cost method.

## 2.5 Property, plant and equipments

Lands and land improvements are stated at cost.

Building, building improvement and equipment stated at cost less accumulated depreciation.

Depreciation is computed by the straight-line method over the estimated useful life as follows ;

	Year
Building and building improvement	20
Machinery and equipment	10
Computer equipment	3
Fixture, equipment and furniture	5
Vehicles	5

## 2.6 Foreign currency transactions

Transactions in foreign currencies are converted at the exchange rate of the transaction date. Assets and liabilities in foreign currencies at the end of period are converted at average (buying and selling) rate that

Bank of Thailand announce at date of statement of financial position. Gain or loss from conversion is included in the Statements of Income.

## 2.7 Leases

At inception of contract, the Group 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 Group as lessee

Right - of - use assets



The Group recognises right - of - use assets at the commencement date of the lease. Right - of - use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right - of - use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right - of - use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right - of - use assets are depreciated on a straight - line basis from the commencement date of the lease to the earlier of the end of the useful life of the right - of - use asset or the end of the lease term.

#### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liabilities are subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Group recognises interest from lease liability in the statement of income. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in - substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lessee under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

#### Short - term leases and Leases of low - value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low - value assets, are recognised as expenses on a straight - line basis over the lease term.

#### The Group as lessor

The Group classifies each of its leases as either a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight - line basis over the lease term.

#### Sub lease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and sub - lease separately. It assesses the lease classification of a sub - lease with reference to the right - of - use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short - term lease to which the Group apply the exemption described in Short - term leases and leases of low - value asset, then it classifies the sub - lease as an operating lease.

The Group as an intermediate lessor accounts for the sublease as follows:

- If the sublease is classified as an operating lease, the Group continues to account for the lease liability and right - of - use asset on the head lease like any other lease; or
- If the sublease is classified as a finance lease, the Group derecognise the right - of - use asset on the head lease at the sublease commencement date and continue to account for the original lease liability in the head lease.

## 2.8 Financial instruments

### Classification and measurement

Financial assets that are debt instruments are measured at amortised cost.

Financial assets which are the equity in trading securities are measured at fair value through profit or loss. For equity instruments for other purposes are measured at fair value through profit or loss or through other comprehensive income. In the case, the equity securities are measured at fair value through other comprehensive income, the accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

### Impairment of financial assets

The Group assesses on a forward - looking basis the expected credit loss associated with its financial assets measured at amortised cost. The Group applies general or simplified approach for credit - impaired consideration which depends on the significant of credit risk.

## 2.9 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to business combination or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities at the reporting date and tax base of the relating assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## 2.10 Employees benefits

The Company and its subsidiary recognize salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits as expenses when incurred.

Severance Payment as specified in Thai Law are recognized as expenses in the income statement along the service period of employees. The Company and its subsidiaries' post-employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method. However, the actual benefit obligation may be different from the estimate.

The Company and its subsidiary recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

The Company and its subsidiaries recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Past service costs are recognized in the income statement when the Company and its subsidiaries' plan amendment or curtailment occurs, or recognition in related restructuring costs or termination benefits.

## 2.11 Accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ.

## 2.12 Basic earnings (loss) per share

Basic earnings (loss) per share is determined by dividing the net profit (loss) by the weighted average number of issued and paid-up of common shares at the end of accounting period.

## 3. RELATED PARTY TRANSACTIONS

The Company had certain accounting transactions with its subsidiary and related persons, which were considered as a normal business practice. The transactions were based on the general market price and in cases where market price was not available, the contract price was used.

Balance of assets and liabilities, accounting and business transactions with subsidiary and related person presented in the statements of financial position as of December 31, 2021 and 2020 are as follows:

BAHT			
Consolidated Financial Statement		Separate Financial Statement	
Dec-31, 2021	Dec-31, 2020	Dec-31, 2021	Dec-31, 2020
<b>3.1 Trade Receivable</b>			
<u>Subsidiary Company</u>			
Sabina Fareast Co., Ltd.	-	233,363,965.05	332,744,713.86
Less : Allowance for doubtful account	-	-	-
Trade receivable – Related parties net	-	233,363,965.05	332,744,713.86

The outstanding balance of above trade receivable is undue amount.

## 3.2 Short-term loan to related party

Movement of short - term loan to related party is as follows;

	Baht				Transfer Pricing Policy
	Balance As of		Balance As of		
	December 31, 2020	Increase	Decrease	December 31, 2021	
<u>Subsidiary Company</u>					
Sabina Fareast Co., Ltd.	125,000,000.00	228,000,000.00	(170,000,000.00)	183,000,000.00	3% p.a.
	125,000,000.00	228,000,000.00	(170,000,000.00)	183,000,000.00	

### 3.3 Account Payable

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<u>Subsidiary Company</u>				
Sabina Fareast Co., Ltd.	-	-	7,394,197.59	4,342,499.64
Accounts payable – Related parties	-	-	7,394,197.59	4,342,499.64

### 3.4 Related party transactions for the year ended December 31, 2021 and 2020 are as follows:

	BAHT				Transfer
	Consolidated Financial Statement		Separate Financial Statement		Pricing
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	Policy
<u>Subsidiary company</u>					
Sales of finished goods	-	-	515,374,405.31	569,245,463.98	Contract price
Sawing service cost	-	-	39,389,375.00	59,229,359.00	"
Purchase of raw materials	-	-	21,868,151.74	19,773,280.71	"
Rent of office space and warehouse	-	-	1,476,000.00	1,476,000.00	"
Cutting service cost	-	-	16,090,461.18	13,684,803.07	"
Interest income	-	-	4,025,588.93	4,179,287.71	"
Dividend received	-	-	205,686,290.00	244,795,655.00	-

### 3.5 MANAGEMENT REMUNERATIONS

Management remunerations consist of salary, bonus, director attendance fee etc. Management remuneration for the year ended December 31, 2021 and 2020 as follow;

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2021	2020	2021	2020
Benefits – Short-term	32,751,911.10	31,419,782.56	13,608,568.12	14,450,876.36
Benefits – After retirement	2,866,666.66	2,515,000.00	860,000.00	754,500.00
Benefits – Long-term	-	-	-	-
Total	35,618,577.76	33,934,782.56	14,468,568.12	15,205,376.36

#### 4. CASH AND CASH EQUIVALENTS

For the purpose of preparation of the statement of cash flows with relevant accounting standards, as of December 31, 2021 and 2020 are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash	5,427,593.17	5,397,944.15	295,247.50	431,215.54
Cash at banks and financial institution	74,396,759.69	57,483,736.30	20,863,667.32	21,623,664.78
Total Cash and Cash Equivalents	79,824,352.86	62,881,680.45	21,158,914.82	22,054,880.32

#### 5. TEMPORARY INVESTMENT

Temporary investment as of December 31, 2021 and 2020 are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
5.1 Investment in mutual fund	152,993,254.58	89,843,148.06	152,993,254.58	89,843,148.06
5.2 Investment in available for sale -				
- securities	120,842,000.00	72,115,500.00	120,842,000.00	72,115,500.00
Total Temporary Investments	273,835,254.58	161,958,648.06	273,835,254.58	161,958,648.06

##### 5.1 INVESTMENT IN MUTUAL FUND

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Investment in Commercial paper fund				
K-Treasury Fund	152,993,254.58	89,843,148.06	152,993,254.58	89,843,148.06
Total	152,993,254.58	89,843,148.06	152,993,254.58	89,843,148.06

## 5.2 INVESTMENT IN AVAILABLE-FOR-SALE SECURITIES

As of December 31, 2021 and 2020 Investment in available-for-sale securities of the Company and its subsidiary measured at fair value through other comprehensive income are as follow;

		BAHT					
		Consolidated Financial Statement / Separate Financial Statement					
		December 31, 2021			December 31, 2020		
		Cost	Unrealized Profit (loss)	Fair Value	Cost	Unrealized Profit (loss)	Fair Value
Marketable							
Security		142,756,794.54	(21,914,794.54)	120,842,000.00	142,756,794.54	(70,641,294.54)	72,115,500.00
Total		142,756,794.54	(21,914,794.54)	120,842,000.00	142,756,794.54	(70,641,294.54)	72,115,500.00

Movement of the unrealized profit (loss) of the available-for-sale securities for the year ended December 31, 2021 are as follow;

		BAHT	
		Consolidated Financial Statement	Separate Financial Statement
Balance as of January 1, 2021		72,115,500.00	72,115,500.00
The increase(decrease)during the year		-	-
Movement during the year		48,726,500.00	48,726,500.00
Balance as of December 31, 2021		120,842,000.00	120,842,000.00

## 6. TRADE RECEIVABLES – OTHER PARTIES - NET

Trade receivables – other parties as of December 31, 2021 and 2020 are consisted as follows:

		BAHT			
		Consolidated Financial Statement		Separate Financial Statement	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivables– other parties		403,813,107.83	399,357,325.37	13,808,640.10	12,158,715.95
Less: Allowance for doubtful account		-	-	-	-
Trade receivables– other parties - net		403,813,107.83	399,357,325.37	13,808,640.10	12,158,715.95

As of December 31, 2021 and 2020 trade receivables–other parties were classified by aging of debt outstanding are as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivables– other parties				
- Current	341,007,644.73	367,404,309.16	13,808,640.10	12,158,715.95
- Overdue 0 - 3 months	40,076,531.10	23,186,057.21	-	-
- Overdue 4 - 6 months	9,391,652.50	2,803,480.00	-	-
- Overdue 7 - 12 months	8,357,207.50	5,963,479.00	-	-
- Overdue over 12 month	4,980,072.00	-	-	-
Trade receivables–other parties - net	403,813,107.83	399,357,325.37	13,808,640.10	12,158,715.95

## 7. INVENTORIES - NET

As of December 31, 2021 and 2020 inventories – net are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Finished goods</b>	1,112,819,773.35	1,306,012,388.57	1,186,202.98	1,206,103.08
Work in process	71,036,285.85	74,710,504.09	41,620,489.11	51,168,661.82
Raw materials	35,816,882.46	33,286,338.78	13,469,392.14	16,345,477.47
Supplies	3,563,077.23	4,281,064.78	1,597,899.36	2,007,199.02
Inventories in transit	53,060,795.32	1,660,335.83	-	-
Total	1,276,296,814.21	1,419,950,632.05	57,873,983.59	70,727,441.39
<u>Less:</u> Allowance for obsolete	(16,000,000.00)	(16,000,000.00)	-	-
Inventories – net	1,260,296,814.21	1,403,950,632.05	57,873,983.59	70,727,441.39

As of December 31, 2021 and 2020 the balance of inventories in subsidiary's account which purchased from the Company have been presented net from profit in inventories totaling of Baht 198,229,500.00 and Baht 190,739,023.00 respectively (eliminated in consolidated financial statement).



Movement of allowance for obsolete inventories account for the year ended December 31, 2021 is as follow;

	BAHT	
	Consolidated Financial Statement	Separate Financial Statement
Balance as of January 1, 2021	16,000,000.00	-
Increase during the year	-	-
Balance as of December 31, 2021	16,000,000.00	-

#### 8. LONG-TERM INVESTMENT

During August 2017 the Company invested in 5,000 units subordinated perpetual debentures of CP All Public Company Limited, face value 1,000 Baht per unit, total amount of Baht 5,000,000, which redeem upon company liquidation with the issue's right to early redemption. The interest will be paid semi annually and unconditional interest deferral. Interest rate is float rate which the rate during 1<sup>st</sup> to 5<sup>th</sup> year is 5% per annum, after that the rate is sum of

(a) the rate of 5 years government bond, and (b) Initial Credit Spread, and (c) the stated rate of each periods.

### 9. PROPERTY, PLANT AND EQUIPMENT – NET

Changes in the list of building improvements and equipment as of December 31, 2021 and 2020.

	Consolidated Financial Statement										
	BAHT										
	Land	Building & Building improvement	Machinery & Equipment	Tools & Supplies	Furniture & Fixture	Office equipment	Vehicles	Other equipment	Computer & equipment	Assets installation in progress	Total
<b>COST :</b>											
As of Dec-31, 2020	119,012,674.50	335,164,834.28	302,891,459.09	16,765,025.04	181,404,829.32	67,378,296.58	21,687,349.89	964,028.25	57,743,702.27	2,350,270.09	1,105,362,469.31
Increase	-	-	-	130,500.14	603,540.18	835,380.03	1,123,500.00	-	5,518,496.07	6,927,698.71	15,139,115.13
Decrease	-	-	(3,618,489.55)	(129,900.00)	(217,466.91)	(683,890.35)	-	-	(1,419,029.00)	-	(6,068,775.81)
Transfer- In	-	-	-	87,325.50	5,465,463.55	82,242.99	-	-	-	-	5,635,032.04
Transfer-Out	-	-	-	-	-	-	-	-	-	(5,635,032.04)	(5,635,032.04)
As of Dec-31, 2021	119,012,674.50	335,164,834.28	299,272,969.54	16,852,950.68	187,256,366.14	67,612,029.25	22,810,849.89	964,028.25	61,843,169.34	3,642,936.76	1,114,432,808.63
<b>Accumulated depreciation:</b>											
As of Dec-31, 2020	-	(274,523,893.60)	(270,990,173.43)	(14,461,955.74)	(151,864,934.00)	(54,752,243.14)	(21,206,724.92)	(948,934.86)	(49,108,229.05)	-	(837,857,088.74)
Increase	-	(11,480,092.97)	(5,902,638.62)	(927,245.60)	(10,409,840.28)	(3,839,315.29)	(548,077.58)	(6,279.39)	(5,904,920.43)	-	(39,018,410.16)
Decrease	-	-	3,618,379.55	129,710.00	217,458.91	683,831.35	-	-	1,418,896.00	-	6,068,275.81
As of Dec-31, 2021	-	(286,003,986.57)	(273,274,432.50)	(15,259,491.34)	(162,057,315.37)	(57,907,727.08)	(21,754,802.50)	(955,214.25)	(53,594,253.48)	-	(870,807,223.09)
<b>Property, plants and equipment -net</b>											
As of Dec-31, 2020	119,012,674.50	60,640,940.68	31,901,285.66	2,303,069.30	29,539,895.32	12,626,053.44	480,624.97	15,093.39	8,635,473.22	2,350,270.09	267,505,380.57
As of Dec-31, 2021	119,012,674.50	49,160,847.71	25,998,537.04	1,593,459.34	25,199,050.77	9,704,302.17	1,056,047.39	8,814.00	8,248,915.86	3,642,936.76	243,625,585.54

## BAHT

## Separate Financial Statement

	Land	Building & Building improvement	Machinery & Equipment	Tools & Supplies	Furniture & Fixture	Office equipment	Vehicles	Other equipment	Computer & equipment	Assets installation in progress	Total
<b>COST :</b>											
As of Dec-31, 2020	17,424,744.50	145,791,955.03	174,645,773.74	6,377,383.46	10,972,099.01	8,281,340.84	6,001,859.81	964,028.25	-	-	370,459,184.64
Increase	-	-	-	48,520.14	26,950.00	122,054.80	1,123,500.00	-	-	-	1,303,321.67
Decrease	-	-	(1,651,000.00)	(21,100.00)	(500.00)	(75,445.00)	-	-	-	-	(1,748,045.00)
Transfer- In	-	-	-	-	-	-	-	-	-	-	-
Transfer-Out	-	-	-	-	-	-	-	-	-	-	-
As of Dec-31, 2021	17,424,744.50	145,791,955.03	172,994,773.74	6,404,803.60	10,998,549.01	8,327,950.64	7,125,359.81	964,028.25	-	-	370,032,164.58
<b>Accumulated depreciation:</b>											
As of Dec-31, 2020	-	(124,005,263.33)	(156,506,792.32)	(5,181,162.24)	(10,200,127.72)	(7,642,328.76)	(6,001,855.81)	(948,934.86)	-	-	(310,486,465.04)
Increase	-	(6,339,527.49)	(3,244,117.33)	(441,022.54)	(310,794.89)	(391,586.27)	(208,077.98)	(6,279.39)	-	-	(10,941,405.89)
Decrease	-	-	1,650,897.00	20,914.00	499.00	75,437.00	-	-	-	-	1,747,747.00
As of Dec-31, 2021	-	(130,344,790.82)	(158,100,012.65)	(5,601,270.78)	(10,510,423.61)	(7,958,478.03)	(6,209,933.79)	(955,214.25)	-	-	(319,680,123.93)
<b>Property, plants and equipment -net</b>											
As of Dec-31, 2020	17,424,744.50	21,786,691.70	18,138,981.42	1,196,221.22	771,971.29	639,012.08	4.00	15,093.39	-	-	59,972,719.60
As of Dec-31, 2021	17,424,744.50	15,447,164.21	14,894,761.09	803,532.82	488,125.40	369,472.61	915,426.02	8,814.00	-	-	50,352,040.65

Depreciation for the year ended December 31, 2021 and 2020, in the consolidated income statement as the amount of Baht 39,018,410.16 and Baht 43,681,704.91 respectively, in the separate income statement as the amount Baht 10,941,405.89 and Baht 12,105,336.96 respectively.

As of December 31, 2021 and 2020, the cost of the asset is fully depreciated and still in use which are shown in the consolidated financial statements as the amount of Baht 617,324,978.43 and Baht 580,017,192.70 respectively, in separate financial statements of Baht 191,012,322.46 and Baht 178,251,389.70 respectively.

#### 10. INTANGIBLE ASSETS

Intangible assets account changes for the year ended December 31, 2021 and 2020 is as follow;

	BAHT		
	Consolidated Financial Statement		
	Computer Software	Software under installation	Total
<b>Cost:</b>			
As of December 31, 2020	35,134,809.85	6,320,088.00	41,454,897.85
Increase	-	3,654,254.60	3,654,254.60
Decrease	-	-	-
Transfer- In	4,627,735.00	-	4,627,735.00
Transfer- Out	-	(4,627,735.00)	(4,627,735.00)
As of December 31, 2021	39,762,544.85	5,346,607.60	45,109,152.45
<b>Accumulated amortization :</b>			
As of December 31, 2020	(27,920,578.14)	-	(27,920,578.14)
Increase	(1,267,413.65)	-	(1,267,413.65)
Decrease	-	-	-
As of December 31, 2021	(29,187,991.79)	-	(29,187,991.79)
<b>Intangible assets – net</b>			
As of Dec-31, 2020	7,214,231.71	6,320,088.00	13,534,319.71
As of Dec-31, 2021	10,574,553.06	5,346,607.60	15,921,160.66

	BAHT		
	Separate Financial Statement		
	Computer Software	Software under installation	Total
<b>Cost:</b>			
As of December 31, 2020	2,469,288.38	2,324,170.00	4,793,458.38
Increase	-	84,000.00	84,000.00
Decrease	-	-	-
Transfer- In	-	-	-
Transfer- Out	-	-	-
As of December 31, 2021	2,469,288.38	2,408,170.00	4,877,458.38
<b>Accumulated amortization :</b>			
As of December 31, 2020	(2,469,239.38)	-	(2,469,239.38)
Increase	-	-	-
Decrease	-	-	-
As of December 31, 2021	(2,469,239.38)	-	(2,469,239.38)
<b>Intangible assets – net</b>			
As of Dec-31, 2020	49.00	2,324,170.00	2,324,219.00
As of Dec-31, 2021	49.00	2,408,170.00	2,408,219.00

Amortization expenses for the year ended December 31, 2021 and 2020, in the consolidated income statement as the amount of Baht 1,267,413.65 and Baht 1,108,695.47 respectively, in the separate income statement as the amount Baht 0.00 and Baht 0.00 respectively.

As of December 31, 2021 and 2020, the cost of the asset is fully amortized and still in use which are shown in the consolidated financial statements as the amount of Baht 24,527,359.09 and Baht 23,252,319.09 respectively, in separate financial statements of Baht 2,469,288.38 and Baht 2,469,288.38 respectively.

#### 11. RIGHT - OF - USE ASSETS - NET

The book value of the right-of-use assets for the year ended December 31, 2021 and 2020 is as follows:

Note	BATH	
	CONSOLIDATED	SEPARATE
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
Net book value as of December 31, 2020	63,947,102.38	5,903,530.30
<u>Add</u> Increased during period - at cost	18,904,716.79	2,645,408.64
<u>Less</u> Amortization for the year	(41,055,257.33)	(3,458,414.49)
Net book value as of December 31, 2021	41,796,561.84	5,090,524.45

Amortization for the year ended December 31, 2021 and 2020 have been included in cost of goods sold, selling and administrative expenses as follows:

		BAHT			
		Consolidated Financial Statement		Separate Financial Statement	
		2021	2020	2021	2020
Selling expenses		41,055,257.33	49,221,936.19	3,458,414.49	4,257,194.13
Total		41,055,257.33	49,221,936.19	3,458,414.49	4,257,194.13

## 12. BANK OVERDRAFTS AND SHORT TERM LOAN S FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short term loans from financial institution as of December 31, 2021 and 2020 were consisted of the follows:

		BAHT			
		Consolidated Financial Statement		Separate Financial Statement	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Short term loan		275,000,000.00	370,000,000.00	-	-
Loan on trust receipt		119,598,236.63	188,821,115.37	-	-
Total		394,598,236.63	558,821,115.37	-	-

The Company and its subsidiary have entered into the bank overdraft and short term loan agreement with several banks. The interest rate was ranging from 1.10% to 7.675% per annum. The Company and its subsidiary pledged its land, buildings and machinery as collateral with the banks. Besides, the company's director and shareholder are also guarantor for the loans.

## 13. OTHER PAYABLES

As of December 31, 2021 and 2020 other payables are consisted as follows:

		BAHT			
		Consolidated Financial Statement		Separate Financial Statement	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Advance for merchandise		11,628,381.85	9,293,548.78	11,067,739.21	8,789,115.40
Accrued expenses		91,436,684.56	94,558,921.77	18,998,590.83	21,932,465.47
Accrued dividend		745,773.73	720,068.45	745,773.73	720,068.45
Total		103,810,840.14	104,572,539.00	30,812,103.77	30,441,649.32

**14. LEASE LIABILITIES**

The book value of the lease liabilities for the year ended December 31, 2021 and 2020 is as follows:

	BAHT	
	CONSOLIDATED FINANCIAL	SEPARATE FINANCIAL STATEMENTS
Lease liabilities of December 31, 2020		5,946,605.71
<u>Add</u> Increase during the year	20,841,493.92	2,760,000.00
<u>Less</u> Deferred interest expenses	(711,354.32)	(114,591.36)
<u>Add</u> Amortization of deferred cost of financing loans		99,970.48
<u>Less</u> Payment	(40,268,698.01)	(3,547,186.07)
Lease liabilities as of December 31, 2021	40,457,606.00	5,985,235.01
<u>Less</u> : Current portion	(20,276,313.31)	(2,290,232.17)
Lease liabilities - net of current portion	20,181,292.69	2,854,566.59

As of December 31, 2021 and 2020 the Group have committed to pay the lease under the lease agreements is as follows:

	BAHT		
	CONSOLIDATED FINANCIAL STATEMENTS		
	As of December 31, 2021		
	Deferred Interest		
	Principal	expenses	Total
Current portion	20,783,010.88	(506,697.57)	20,276,313.31
1 - 5 years	20,602,205.06	(420,912.37)	20,181,292.69
Over 5 years	-	-	-
Total	41,385,215.94	(927,609.94)	40,457,606.00

	BAHT		
	SEPARATE FINANCIAL STATEMENTS		
	As of December 31, 2021		
	Deferred Interest		
	Principal	expenses	Total
Current portion	2,356,225.97	(65,993.80)	2,290,232.17
1 - 5 years	2,923,897.60	(69,331.01)	2,854,566.59
Over 5 years	-	-	-
Total	5,280,123.57	(135,324.81)	5,144,798.76



## 15. EMPLOYEES' BENEFIT OBLIGATION

Movements of present value of employee benefit obligation for the year ended December 31, 2021 and 2020 were as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	For the year	For the year	For the year	For the year
	ended	ended	ended	ended
	Dec- 31, 2021	Dec-31, 2020	Dec-31, 2021	Dec-31, 2020
Employee benefits obligation				
as of beginning of year	125,853,851.67	115,653,128.67	70,914,470.33	65,561,276.33
Payment of Employees' benefit	(11,923,637.00)	(11,257,405.00)	(4,947,596.00)	(5,269,480.00)
Current service cost and interest cost	23,108,947.00	21,458,128.00	11,219,188.00	10,622,674.00
Employee benefits obligation				
as of ending of year	137,039,161.67	125,853,851.67	77,186,062.33	70,914,470.33

Expenses recognized in statements of income for the year ended December 31, 2021 and 2020 are as follow;

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2021	2020	2021	2020
Current service cost	20,118,427.00	18,705,068.00	9,573,632.00	9,101,878.00
Interest cost	2,990,520.00	2,753,060.00	1,645,556.00	1,520,796.00
Total	23,108,947.00	21,458,128.00	11,219,188.00	10,622,674.00

The principle actuarial assumptions used to calculate the provision under the retirement benefit obligation as of December 31, 2021 are as follows:

	Consolidated	Separate
	Financial Statement	Financial Statement
Discount rate	2.33 %	2.33%
Salary scale increase rate	3.00 %	3.00 %
Employee with voluntary resignation before retirement ratio	0-67 %*	0-52 %*
Mortality rate	TMO 2017 **	TMO 2017 **

\* Based on rate weighted by age group of employee

\*\* Reference to Thai Mortality ordinary Table of 2017 common type



**Sensitivity analysis of significant actuarial assumptions**

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that was reasonably possible for the year 2021 as follows:

**Separate Financial Statement**

- If the discount rate increases (decreases) by 1.0%, the employee benefit obligation would decrease Baht 4.85 million (increases Baht 5.45 million)
- If the salary increases rate increases (decreases) by 1.0%, the employee benefit obligation would increase Baht 7.59 million (decrease Baht 6.77 million).
- If the Employee with voluntary resignation before retirement increases (decreases) by one year for all employees, the employee benefit obligation would decrease Baht 5.22 million (increases Baht 2.93 million).

**Consolidated Financial Statement**

- If the discount rate increases (decreases) by 1.0%, the employee benefit obligation would decrease Baht 8.78 million (increases Baht 9.85 million)
- If the salary increases rate increases (decreases) by 1.0%, the employee benefit obligation would increase Baht 14.47 million (decrease Baht 12.30 million).
- If the Employee with voluntary resignation before retirement increases (decrease) by one year for all employees, the employee benefit obligation would decrease Baht 9.66 million (increases Baht 6.96 million).

In presenting the above sensitivity analysis, the present value of the employee benefit obligation has been calculated by using the same method that applied in calculating the employee benefit obligation recognized in the statement of financial position.

**16. REGISTERED CAPITAL**

On May 15, 2008 the Company common shares have been approved to be a registered security in SET and the share initial trading has been started since that date.

**17. LEGAL RESERVE**

According to public company legislation 1992, the Company has to allocate a portion of net profit for the year to be Legal Reserve not less than 5% of profit of the year. The allocation of Legal Reserve should be deducted with the beginning balance of deficit (if any) until the balance of Legal Reserve not less than 10% of registered capital. The Company cannot pay dividend from the Legal Reserve.

**18. DIVIDEND PAYMENT**

On April 10, 2020, the meeting of the Board of Directors No. 2/2020 resolved to postpone the annual general meeting of shareholders 2020 and approve the payment of interim dividends according to the latest financial statements ending December 31, 2019, which was paid from retained earnings by paying to shareholders at the rate of 0.62 baht per share of 347.50 million shares, totaling Baht 215.45 million.

On August 13, 2020, the meeting of the Board of Directors no. 5/2020 has approved to pay interim dividend to shareholders, at Baht 0.35 per share for the 347.50 million shares, total amount of Baht 121.63 million, which is paid in September 2020.

On April 22, 2021, the shareholder meeting no. 1/2021 has approved to pay dividend to shareholders, at Baht 0.45 per share for the 347.50 million shares, total amount of Baht 156.375 million, which was paid in May 2021.

On August 13, 2021, the meeting of the Board of Directors no. 3/2021 has approved to pay interim dividend to shareholders, at Baht 0.41 per share for the 347.50 million shares, total amount of Baht 142.475 million, which was paid in September 2021.

On February 21, 2022, the meeting of the Board of Directors no. 1/2021 passed the resolution to propose the Annual General Meeting of shareholders approve to pay dividend for the year 2021 to shareholders, at Baht 0.85 per share for the 347.50 million shares, total amount of Baht 295.375 million. Since an interim dividend of Baht 0.41 per share, total amount of Baht 142.475 million, was already distributed to the shareholders in September 2021, the remaining final dividend is Baht 156.375 million (Baht 0.44 per share)

**19. INCOME TAX EXPENSE**

In accordance with taxable conditions on Thailand's revenue code, the Company and its subsidiaries have calculated its net taxable profit (loss) by taking both any for bidding expenditures and any reduced or exceptionable accounting transactions to adding - up or deducting from net profit (loss) under accounting base.

The Company has calculated income tax on its taxable profit for the years 2021 and 2020 at the rate 20%.

## 19.1 Income tax expense for the year ended December 31, 2021 and 2020, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Income tax charge of current periods	46,406,418.40	51,050,242.30	22,431,408.65	18,034,560.87
Deferred income tax Expense (Revenue)				
from temporary difference	-	-	-	-
Effects of deferred income tax				
from change of tax rates	27,510,892.93	17,923,494.42	(1,254,318.40)	(1,070,638.82)
Income tax expense presented				
in the statement of income	73,917,311.33	68,973,736.72	21,177,090.25	16,963,922.05

## 19.2 Income tax relating to components of statements of comprehensive income – other for the year ended December 31, 2021 and 2020 consisted of :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax expense (income) relating to				
Investment in marketable securities	9,745,300.00	(1,328,300.00)	9,745,300.00	(1,328,300.00)

19.3 The reconciliation of the income tax expense and the result of the multiplying of the accounting profit with tax rate for the year period ended December 31, 2021 and 2020 are presented as the following:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit before corporate income tax	368,111,930.59	345,784,854.43	318,272,693.57	334,734,259.84
Corporate income tax rates	20%	20%	20%	20%
Accounting profit before corporate income- tax				
-Multiply by tax rates	73,622,386.12	69,516,970.89	63,654,538.73	66,946,851.97
Effects to deferred income tax	27,510,892.93	17,923,494.42	(1,254,318.40)	(1,070,638.82)
Effects of income and expenses-				
- not related to income tax	2,570,691.56	974,854.00	-	-
Income tax effects that is nondeductible in				
Calculation of profit:				
- Revenue exempted in tax calculation	(33,163,207.23)	(23,032,639.15)	(43,068,124.45)	(50,873,434.81)
-Nondeductible expenses	3,376,547.95	3,591,056.56	1,844,994.37	1,961,143.71
Income tax expense presented in the -				
Statement of Income	73,917,311.33	68,973,736.72	21,177,090.25	16,963,922.05

19.4 Components of deferred tax assets and deferred tax liabilities comprised of the following items;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	Dec-31, 2021	Dec-31, 2020	Dec-31, 2021	Dec-31, 2020
<b>Deferred tax assets</b>				
Investment in marketable securities	4,382,958.91	14,128,258.91	4,382,958.91	14,128,258.91
Consignment receivable	231,683,209.05	268,186,700.84	-	-
Allowance for impairment of inventories	3,200,000.00	3,200,000.00	-	-
Employee benefit obligation	27,407,832.34	25,170,770.34	15,437,212.47	14,182,894.07
Total	266,674,000.30	310,685,730.09	19,820,171.38	28,311,152.98
<b>Deferred tax liabilities</b>				
Consignment inventories	(62,831,048.72)	(69,586,585.58)	-	-
Total	(62,831,048.72)	(69,586,585.58)	-	-
<b>Deferred tax assets – net</b>	<b>203,842,951.58</b>	<b>241,099,144.51</b>	<b>19,280,171.38</b>	<b>28,311,152.98</b>

## 20. PROVIDENT FUND

During year 2005, the Company and its employees agreed to establish employees' provident fund under authorization from Ministry of Finance as per provident fund legislation 1987. This provident fund is comprised of a portion of not less than 3% from employee's salary and a portion that contributed at the same amount from the Company. Employees entitle to receive money from provident fund if he/she resign and comply with its regulation. The provident fund is managed by MFC Public Co., Ltd.

## 21. COMMITMENT

### 21.1 Lease agreement and long term services

21.1.1 On June 1, 2019, company has entered into the lease of buildings agreement with Sabina Far East Co., Ltd., to use the buildings as company's office and warehouse for 3 years. The Company has a right to renew the lease agreement for 3 times at 3 years each. However the Company has to inform landlord by written in advance not less than 180 days. The rental is Baht 142,500 per month; landlord is responsible for municipal taxes. Landlord promised that it will not sell or dispose the assets in 12 years.

21.1.2 On March 22, 2013, the subsidiary has entered into another lease contract with the department store and for extension the lease period to another 10 years, which will expire in February 2023. The subsidiary had paid for the leasehold right for the 10 years approximately amounting to Baht 15.87 million.

The commitment for the long-term lease, which should be paid the rent and service in the future, as of December 31, 2021 are as follow;

#### The Company

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	0.71
Over 1 year but not over 5 years	-
Over 5 years	-
Total	<u>0.71</u>

#### The Subsidiary Company

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	40.09
Over 1 year but not over 5 years	29.44
Over 5 years	-
Total	<u>69.53</u>

As of December 31, 2020 the Group had recorded commitments under the lease agreements due to the adoption of TFRS 16 as of January 1, 2021. Therefore the Group recognized the remaining lease liabilities previously

classified as operating lease at the present value of the lease payments discounted using the Group's incremental borrowing rate, as described in Note 14 to the interim financial statements.

## 21.2 Letter of bank guarantee

As of December 31, 2021 and 2020, the Company has letter of guarantee which issuing by the bank on behalf of company as follows:

Objective	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
1. Guarantee for -				
-Custom Department	1.33	1.10	-	-
2. Others	3.25	3.25	1.34	1.34
Total	4.58	4.35	1.34	1.34

## 22. Financial Instruments

### 22.1 Financial risk management policy

The Company's financial instruments, principally comprise deposits with financial institutions, trade receivables and payables, receivable and payable - principals. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

##### (A) Trade receivables

The Company is exposed to credit risk primarily with respect to trade. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses.

The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and receivable - principals as stated in the statements of financial position.

##### (B) Deposits with financial institutions

The Company is exposed to risk arising from deposit with financial institutions. However, the counterparties are banks with a good credit rating, for which the Company considers to have low credit risk.

**Liquidity risk**

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operation and to mitigate the effects of fluctuations in cash flows. The remaining contractual maturities of financial liabilities at the reporting date are as follows:

	Million Bath					
	Contractual cash flows (Consolidated financial statements)					
		More than 1 year but	More than 2 year but			
Carrying amount	1 year Or less	Less than 2 years	Less than 5 year	More than 5 year		Total
<u>As of December 31, 2021</u>						
Non - derivative financial liabilities						
- Other payables	650.12	650.12	-	-	-	650.12
- Lease liabilities	40.34	20.28	9.78	10.29	-	40.34
- Revenue Department	19.29	19.29	-	-	-	19.29
- Corporate income tax payable	21.35	21.35	-	-	-	21.35
	<u>731.11</u>	<u>711.05</u>	<u>9.78</u>	<u>10.29</u>	<u>-</u>	<u>731.11</u>
Derivative financial liabilities						
	-	-	-	-	-	-

	Million Bath					
	Contractual cash flows (Separate financial statement)					
			More than 1 year but	More than 2 year but		
Carrying amount	1 year or less	Less than 2 years	Less than 5 years	More than 5 years	Total	
<u>As of December 31, 2021</u>						
Non - derivative financial liabilities						
- Other payable	76.61	76.61	-	-	-	76.61
- Lease liabilities	5.14	2.29	1.18	1.68	-	5.14
- Revenue Department	1.59	1.59	-	-	-	1.59
- Corporate income tax payable	13.06	13.06	-	-	-	13.06
	<u>96.41</u>	<u>93.56</u>	<u>1.18</u>	<u>1.68</u>	<u>-</u>	<u>96.41</u>
Derivative financial liabilities						
	-	-	-	-	-	-

## 22.2 Market risk

### Risk from foreign exchange rate

The Company and its subsidiary encounters risk in foreign exchange rate because company has foreign receivables and payables. However, the credit terms given or received from the receivables and payables are short period.

As of December 31, 2021 and 2020, the Company and its subsidiary have assets and liabilities in foreign currencies as follows:

	Amount in Foreign Currencies			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<u>ASSETS</u>				
US Dollar	743,863.39	607,960.85	389,364.60	428,373.09
Hong Kong Dollar	-	-	-	-
Euro Dollar	-	-	-	-
Pound Sterling	1,187,991.35	644,094.34	-	-
<u>LIABILITIES</u>				
US Dollar	1,659,551.35	480,038.21	358,132.98	316,033.48
Hong Kong Dollar	-	400.00	-	-
Euro Dollar	17,278.45	937.65	-	-
Pound Sterling	55,285.98	9,871.88	-	-

### Risk from interest rate

The interest rate risk depends on the fluctuation of interest rate in financial market. The fluctuation of the interest rate may have impact on the company's operation and cash flows. However, management believes that risk is insignificant in the current financial market because company can generate enough income and cash flows to pay interest.

### Risk from credit term

Credit risk refers to the risk that trade accounts receivable may default in its obligations resulting in a financial loss to company. However, since the company currently sells its products to creditworthy customers, it does not anticipate any material problem in collecting its debt. The concentration of credit risk with respect to trade receivable is limited because company's debtors are spread over in different area and type of business. Account receivable showed in the statement of financial position, net of a portion of allowance for doubtful debts, represents the maximum exposure to credit risk.

### Fair value

The Company's financial assets and financial liabilities measured at amortized cost and the majority of the Company's financial instruments are short - term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.



A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

## 23. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

Statements of income segmented by business for the year ended December 31, 2021 and 2020 are as follows:

	Consolidated Financial Statement (Million Baht)					
	December 31, 2021			December 31, 2020		
	Export	Domestic	Total	Export	Domestic	Total
Revenue						
Sales – net	322.23	2,290.01	2,612.54	236.38	2,625.82	2,862.20
Services income	-	18.81	18.81	-	35.79	35.79
	<u>322.23</u>	<u>2,309.12</u>	<u>2,631.35</u>	<u>236.38</u>	<u>2,661.61</u>	<u>2,897.99</u>
Cost of sales			(1,345.77)			(1,524.80)
Gross profit			1,285.58			1,373.19
Selling and administrative expenses			(936.87)			(1,034.14)
Net profit from operation			<u>348.71</u>			<u>339.05</u>
Other income and expenses						
Other income			24.31			15.83
Financial cost			(4.91)			(9.10)
Total other income and expenses			<u>19.40</u>			<u>6.73</u>
Profit before income tax			368.11			345.78
Income tax expense			(73.93)			(68.97)
Net profit			<u>294.19</u>			<u>276.81</u>

Property, plant and equipment of company have been commonly used for export and domestic operations.

Statements of income segmented by business for the year ended December 31, 2021 and 2020 are as follows:

	Separate Financial Statement (million Baht)					
	December 31, 2021			December 31, 2020		
	Export	Domestic	Total	Export	Domestic	Total
Revenue						
Sales – net	52.61	517.77	570.38	30.12	583.26	613.38
Services income	-	52.00	52.00	-	92.70	92.70
Total revenue	<u>52.61</u>	<u>59.77</u>	622.38	<u>30.12</u>	<u>675.96</u>	706.08
Cost of sales			(470.30)			(568.42)
Gross profit			152.08			137.66
Selling and administrative			(53.54)			(56.40)
Net profit from operation			<u>98.54</u>			<u>80.72</u>
Other income and expenses						
Other income			219.83			254.11
Financial cost			(0.10)			(0.10)
Total other income and expenses			<u>219.73</u>			<u>254.01</u>
Profit before income tax			318.27			334.73
Income tax expense			(21.18)			(16.96)
Net profit			<u>297.09</u>			<u>317.77</u>

Property, plant and equipment of the Company have been commonly used for export and domestic operations.

#### **Major customer information**

During year 2021 and 2020, the Company has earned from 3 major customers amounting to Baht 640 million and Baht 799 million respectively.

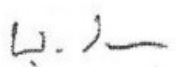

**24. EXPENSE BY NATURE**

The significant expenses for the year ended December 31, 2021 and 2020 classified by nature are as follow;

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2021	2020	2021	2020
Changes in finished goods -				
- and work in process	196,866,833.46	116,317,169.48	9,568,072.81	42,069,814.28
Purchase of finished goods		438,042,424.69	-	-
Raw material and supply usage	412,480,395.64	408,995,285.16	216,436,409.59	239,871,348.70
Employees' expenses -				
- (Exclude management)	472,640,791.75	533,775,822.63	86,847,445.84	96,935,358.19
Depreciation and Amortization	74,071,554.24	86,870,683.10	14,399,820.38	16,408,053.28
Transportation expense	19,853,946.55	20,034,554.90	484,208.65	16,519.46
Chemical supplies and				
-cost of analysis	4,497,941.77	5,074,246.91	96,700.00	165,130.00
Advertising and promotion	84,621,491.94	88,746,533.95	192,145.70	349,099.66

**25. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statement has been approved by the Company's board of directors on February 21, 2022


 (Signed) .....Director
 
 (Signed).....Director

## Part 4

### Certification of Data Accuracy

“ The company has reviewed the information in this annual registration statement. With care the company certifies that such information is completely accurate, not false. Do not make other people misunderstand or do not lack information that should be notified in a significant way.

(1) Financial statements and financial information that are summarized in the annual registration statement showing complete and accurate information in material aspects regarding the financial position performance and cash flow of the company and subsidiaries already.

(2) The company has provided a good information disclosure system to ensure that the company has disclosed all significant information of the company and its subsidiaries correctly and completely. Including controlling follow of the implementation of such systems.

(3) The company has provided a good internal control system and supervised the implementation of such systems. And the company has informed the assessment of internal control system as of 21 February 2022 to the auditor and the audit committee of the company. Which covers deficiencies and significant changes in the internal control system including misconduct that may affect the preparation of financial reports of the company and its subsidiaries.

In this regard, as evidence that all documents are the same set of documents that the company has certificated the accuracy. The company has assigned Mr.Somkid Pradungkiattisak to sign on this document every pages as will. If any document does not contain the signature of Mr.Somkid Pradungkiattisak. The company is considered non-information that the company has certificated the accuracy of the information mentioned already.

	Name	Title	Signature
1. Mr.Viroj	Tanalongkorn	Chairman of the board	< Mr.Viroj Tanalongkorn >
2. Mr.Bunchai	Punturaumporn	Chairman of Executive Committee	< Mr.Bunchai Punturaumporn >

	Name	Title	Signature
Attorney	Mr.Somkid Pradungkiattisak	Executive Director	< Mr.Somkid Pradungkiattisak >

Attachment 1

**Details of directors, executives, persons with controlling authority, persons assigned to be responsible for the highest responsibility in accounting and finance, persons assigned to be directly responsible for overseeing bookkeeping, the Company's secretary, and coordinating agent in case of foreign company**

**Details of directors, executives, persons with controlling authority, persons assigned to be responsible for the highest responsibility in accounting and finance, persons assigned to be directly responsible for overseeing bookkeeping, the Company's secretary, and coordinating agent in case of foreign company**

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
1. Mr. Viroj Thanalongkorn  (authorized director as per details in the Certificate of Company Registration)  <b>Year for Director</b> 3 May 2007	68	MINI MBA,  Thammasat University  <b>Thai Institute of Directors (IOD)</b>  - DAP 64/2007	46.38	Mrs.  Suchanya Thanalongkorn's brother	<u>Listed Company</u>		
					2007 - Present	- Chairman  - Consultant of Executive Committee	- Sabina Plc.  - Sabina Plc.
					<u>Subsidiary's Company</u>		
					1973 - Present	- Chairman	-Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
2. Mr. Bunchai Punturaumporn  (authorized director as per details in the Certificate of Company Registration / Nomination and remuneration committee)  <b>Year for Director</b> 3 May 2007	57	MBA (Marketing) ,  Thammasat University  <b>Thai Institute of Directors (IOD)</b>  - DAP 63/2007 - EDP 5/2010 - HRP 6/2014 - FSD /2016 - BMT 6/2018	0.20	None	<u>Listed Company</u>		
					2015-Present	-Nomination and Remuneration Committee	- Sabina Plc.
					2007 - Present	- Chairman of the Executive Committee and Chief Executive Officer	- Sabina Plc.
					<u>Subsidiary's Company</u>		
					2007 - Present	- Chairman of Executive Committee and Director	- Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
3.Mrs.Suchanya Thanalongkorn (Director)  <b>Year for Director</b> 26 July 2012	66	Bachelor of political Science Ramkhamkhaeng University /  <b>Thai Institute of Directors (IOD)</b> - DAP 105/2013	-	Mr.Viroj Thanalongkorn's sister	<u>Listed Company</u>		
					2012-Present	-Director	- Sabina Plc.
					<u>Other company</u> (not listed company)		
					2009-Present	-Managing Director	-36 Property



Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
4. Mr. Somkid Pardungkiattisak  (authorized director as per details in the Certificate of Company Registration)  <b>Year for Director</b> 24 April 2015	55	Bachelor's degree in cost accounting University of the Thai Chamber of Commerce/  <b>Thai Institute of Directors (IOD)</b> - DAP 120/2015 - EDP 16/2016 - ACPG /2016 -FSD34/2017 - BFI 5/2018 - CISA 13/2018	0.003	None	<u>Listed Company</u>		
					2020-Present	-Chief Financial Officer	-Sabina Plc.
						-Risk Management Committee	-Sabina Plc.
					2015-Present	- Director, Executive Committee	-Sabina Plc.
					2015 - Present	- Accounting and Financial director	-Sabina Plc.

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
					<u>Subsidiary's Company</u>		
					2020- Present	-Chief Financial Officer	- Sabina Fareast Co., Ltd
					2015-Present	- Director, Executive Committee	- Sabina Fareast Co., Ltd
					2013-2015	- Accounting and Financial director - Accounting manager for factories	- Sabina Fareast Co., Ltd

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
5. Ms. Duangdao Mahanavanont (authorized director as per details in the Certificate of Company Registration / Risk Management Committee)  <b>Year for Director</b> 21 February 2020	45	Master's degree (MS-CIS), Assumption University /  <b>Thai Institute of Directors (IOD)</b> - EDP ปี 2019 - CGE 16/2020	0.003	None	<u>Listed Company</u>		
					2020-Present	- Risk Management Committee	- Sabina Plc.
						- Director,Executive Committee	- Sabina Plc.
					2018-Present	-Director of Business Development New Channel	- Sabina Plc.
					<u>Subsidiary's Company</u>		
					2015-Present	- Director,Executive Committee	-Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie
					2018-Present	-Director of Business Development New Channel	-Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
6. Ms. Vachirawan Yamsri  (Director / Risk Management Committee)  <b>Year for Director</b> 1 March 2012	56	Bachelor of political and administrative Science (finance) Chulalongkorn University /  <b>Thai Institute of Directors (IOD)</b> - DAP 99/2012 - EDP 10 - HRP 6/2014	0.01%	None	<u>Listed Company</u>		
					2018-Present	- Risk Management Committee	- Sabina Plc.
					2012 – Present	- Director and Executive Committee  - Director of Production	-Sabina Plc.  - Sabina Plc.
					<u>Subsidiary's Company</u>		
					2012 – Present	- Director of Production	-Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
7. Ms. Rawewan Peyayopanakul (Independent Director / Chairman of Audit Committee / Nomination and Remuneration committee)  <b>Year for Director</b> 3 May 2007	74	MBA (Accounting) ,  Michigan State University, USA. /  <b>Thai Institute of Directors (IOD)</b>  - DAP ปี 2003 - ACP ปี 2005	-	None	<u>Listed Company</u>		
					2015-Present	- Nomination and Remuneration Committee	- Sabina Plc.
					2007 - Present	-Independent Director  - Chairman of Audit Committee	- Sabina Plc.  - Sabina Plc.
					<u>Other company</u> (not listed company)		

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
8. Mr. Somchai Vanavit  (Independent Director / Audit Committee / Chairman of the Nomination and Remuneration)  <b>Year for Director</b> 3 May 2007	72	MBA, Southeastern Louisiana University, USA. /  <b>Thai Institute of Directors (IOD)</b> - DAP 8/2004 - DCP 49/2004	-	None	<u>Listed Company</u>		
					2015-Present	-Chairman of the Nomination and Remuneration Committee	- Sabina Plc
					2011 - Present	-Independent Director and Chairman of Audit Committee	-T.S.Flowmill Plc. (wheat flour Manufacture)
					2007 – Present	-Independent Director - Audit Committee	-Sabina Plc. -Sabina Plc.
					<u>Other company</u> (not listed company)		

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
9. Mr. Yuthana Adipath  (Independent Director / Audit Committee / Nomination and Remuneration Committee)  <b>Year for Director</b> 3 May 2007	76	MBA, Eastern New Maxico University  <b>Thai Institute of Directors (IOD)</b>  - DAP 63/2007	-	None	<u>Listed Company</u>		
					2015-Present	- Nomination and Remuneration committee	- Sabina Plc.
					2007 – Present	-Independent Director  - Audit Committee	- Sabina Plc.  -Sabina Plc.
					<u>Other company</u> (not listed company)		

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
10.Mr.Chakkris Uthayoplas  (Independent Director / Chairman of Risk Management Committee)  <b>Year for Director</b> 24 April 2015	58	Master of Science  Industrial Engineering&Manage ment The Asian  Institute of Technology/ /  <b>Thai Institute of Directors (IOD)</b>  - DCP 24/2002	-	None	<u>Listed Company</u>		
					2018-Present	- Chairman of Risk Management Committee	-Sabina Plc.
					2015-Present	- Independent Director	-Sabina Plc.
					<u>Other company</u> (not listed company)		
					2010-Present	- Chief Executive Director	-Kelx Kaew Kor Kit Co.,ltd.



Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
11. Ms. Pensri Suteerasan (Independent Director / Audit Committee )  <b>Year for Director</b> 23 Apr 2019	53	MBA(Finance),  California State University  <b>Thai Institute of Directors (IOD)</b>  - DCP 86/2007  -SFE 6/2010	-	None	<u>Listed Company</u>		
					2020-Present	- Independent Director	- Precious Shipping Public Company Limited
					2019-Present	-Independent Director  - Audit Committee	- Sabina Plc.  - Sabina Plc.
					<u>Other company</u> (not listed company)		
					2018-Present	-Director  -Audit Committee	-Ready Planet Co.,Ltd.
					<u>Other Business</u>		
					Feb 2022 – Present	- Advisor  - Director	- Thai Listed Companies Association (TLCA)  - Thailand Development Research Institute (TDRI)

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
					2021 – Present	- Director	- Private Equity Trust venture capital SMES (sub-fund 2) SME D Bank
					2016 – Present	- The nomination committee best Alumni	- Faculty of Commerce and Accountancy, Chulalongkorn University
					2015 – Present	- The Judging Committee of the Outstanding Ethics Award Project	- Thai Chamber of Commerce

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
					2014 – Present	- The nomination committee recruiting mentor and allocating Government officials in the project for the development of the new generation of change management to perform the Administration of private agencies	- the office of the Civil Service Commission
					2012 – Present	- Committee	- Anti-Corruption Organization of Thailand

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
					2007 – Present	Sub-Committee on Consideration of Regulations on issuing companies - Committee	- Securities and Exchange Commission (SEC) - CGR steering Committee Thai Institute of Directors (IOD)
					2006 – Feb 2022	- Director	- Thai Listed Companies Association (TLCA)
					2001 – 2005	- Consultant,	- Ministry of Finance, Thailand

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
					1998 – 2001	- Associate Director	- Investment Banking, Dresdner Kleinwort Benson.
					1993 – 1998	- Manager	- Investment Banking, Swiss Bank Corporation

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holdin g ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
12.Ms. Vaja Mukto (Company Secretary)	53	Bachelor of Accounting,Suan Dusit Rajabhat University /  <b>Thai Institute of Directors (IOD)</b> - CSP 53/2013	0.003	None	<u>Listed Company</u>		
					2015-Present	- Company Secretary and Accounting Manager	-Sabina Plc.
					2014	-Company Secretary and Accounting Division Manager	-Sabina Plc.
					2007 – 2013	-Accounting Division Manager	-Sabina Plc.

Attachment 2

**Details of directors in subsidiaries**

**Details of directors in subsidiaries**

Directors and Executives	Company	Sabina Fareast Co., Ltd.
1.Mr. Viroj Thanalongkorn	X	X
2.Mr. Bunchai Punturaumporn	/, //	/, //
3.Mrs.Suchanya Thanalongkorn	/	
4.Mr. Somkid Pardungkiattisak	/, //	/, //
5.Ms. Dongdao Mahanavanon	/, //	/, //
6. Ms. Vachirawan Yamri	/, //	
7. Ms. Rawewan Peyayopanakul	/, **	
8. Mr. Somchai Vanavit	/, *	
9. Mr. Yuthana Adipath	/, *	
10. Mr.Chakkris Uthayoplas	/	
11.Ms.Pensri Suteerasarn	/, *	

Note: X = Chairman / = Director // = Executive Director

\*\* = Chairman of Audit Committee \* = Audit committee



Attachment 3

**Details about the head of internal audit  
and the Company's supervisor performance (Compliance)**

**Details about the head of internal audit and the Company's supervisor performance (Compliance)**

Name and Title	Age (Year)	Education	Share- holding ratio (%)	Relation- ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
Acting Sub Lt.Samphan Puypirom (Head of Internal Audit)	39	Bachelor of Accounting, Sripatum University	-	-	<u>Listed Company</u>		
					2012-Present	- Head of Internal Audit	- Sabina Plc.

Attachment 4

Assets used in business operations and details of asset appraisal items

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**Assets used in business operations and details of asset appraisal items**

- None

Attachment 5

Full version of policies and guidelines for corporate governance and  
the code of business conduct that the Company has prepared

## Corporate Governance

The Board of Directors understands their roles, duties and responsibilities to the Company and shareholders. They have adopted a Code of Best Practices for the Directors of registered companies according to the guidelines as set forth by the Securities Exchange of Thailand. This is to ensure effective management and accurate performance assessment, which will promote growth through the following corporate governance:

### 1. Corporate Governance Policy

The Board of Directors realize the importance of good corporate governance as set forth in the notifications of the Securities Exchange of Thailand. To ensure the Company stability and continuous growth, increase the confidence of shareholders and all interested parties and create additional value to the business in the long run, the Board of Directors have set forth the corporate governance as follows:

1. The scope of powers, duties and responsibilities of the Board of Directors and the Executives is clearly defined according to the Company management structure.
2. The business shall be operated with all the information correctly and transparently disclosed to reflect the true and fair view of the Company's performance and financial status. There shall be proper assessment and measures against risks.
3. There shall be checks and balances among all departments and sections to allow audit and ensure transparency.
4. Excellent quality products shall be turned out to meet the demand in the markets and for the satisfaction of customers. Customers' views or complaints are welcome for product development and improvement.
5. Through training, the Company install moral virtue in employees that they will grow with the Company.
6. The ownership rights of each and every shareholder are equally well aware of and respected.
7. In the operation of our business, the Company bears in mind our responsibility to shareholders, interested parties, the society and the environment.
8. Anti-corruption and never pays a bribe for the business benefits. No violation of intellectual property rights. Respect for the law and human rights.

## 2. The rights of shareholders

The shareholding structure shall be clear and fair. The board of directors, executives and major shareholders shall not have conflicts of interest. The management shall protect investors' rights and treat shareholders equally.

Every shareholders have rights and equity as follows.

1. The right to receive information, performance and the Company's management policy quickly and in time through the Stock Exchange of Thailand and the Company's website at [www.sabina.co.th](http://www.sabina.co.th).
2. The right to buy and transfer shares, and to obtain a share from the Company's profits.
3. The right to propose matters to be included in the agenda of the general meeting of shareholders and to nominate persons to be considered as directors, which the Company has made the criteria for proposing such matters to be published on the website of the Company at [www.sabina.co.th](http://www.sabina.co.th). and notified via the Stock Exchange of Thailand (SET).
4. The right to send questions to inquire about various issues of the agenda presented at the general meeting of shareholders in advance by sending questions to the Company secretary by email: [vaja@sabina.co.th](mailto:vaja@sabina.co.th) Fax: 02-4345911 published such rights on the Company's website at [www.sabina.co.th](http://www.sabina.co.th).
5. The right to attend the shareholders' meeting. The Company will hold a shareholder meeting once a year by sending a notice of the meeting together with related documents for the meeting with sufficient details for the shareholders in advance to allow the shareholders to consider in advance before attending the meeting.
6. The Company has a policy to promote and facilitate shareholders to allow shareholders and institutional investors to attend the meeting by arranging a meeting location, which is easy and convenient for the shareholders to travel and has public transportation systems that are accessible and sufficient.
7. The Company discloses the shareholding structure in the Company and subsidiaries clearly and transparently, and can be examined. There is no cross shareholding in the Company group.
8. The Company has more than 40% of the minority shareholders (Free Float).
9. The Company holds more than 5% of the total shares of institutional investors.
10. The Company does not have a shareholder's agreement that has a significant impact on the Company or other shareholders.
11. The Company has also added a channel to publicize the invitation to the shareholders' meeting, supporting documents for the meeting agenda including the proxy form and other information necessary in both Thai and English in advance on the Company's website [www.sabina.co.th](http://www.sabina.co.th). before

submitting the documents to shareholders as to acknowledge and to support decision making in voting. The minutes of the shareholders' meeting are published via the Company's website.

12. To represent their rights, shareholders can appoint proxies to other persons or independent directors of the Company to vote in the event that the shareholders are unable to attend the meeting by themselves.
13. The Company has facilitated all shareholders equally this includes institutional investors to attend the shareholders' meeting by explaining the details of the meeting including how to count the votes of shareholders who have to vote in each agenda according to the Company's regulations, and allow all attendees to inquire comments and suggestions for each agenda, and summarize the results of the votes from every vote count.
14. The Company arranges for the broadcasting of the minutes of the meeting via the Company's website, so that shareholders can check without waiting for the next meeting.
15. The right to be treated equally in the repurchase of shares, and allow shareholders to be able to communicate with each other.

#### Meeting of Shareholders

The Board of Directors gives importance to shareholders' meetings by holding the annual general meeting of shareholders once a year within 4 months from the end of the accounting period of the Company. It is considered as a duty of the Board of Directors that must attend every meeting if not attached to important missions. By organizing the meeting, the Company will send the meeting invitation letter, proxy form, along with information for meeting based on various agendas. Shareholders should receive complete notice at least 14 days before the meeting date for shareholders to make decisions on voting in various agendas. In case, the shareholder wishes to appoint another person to attend the meeting, he/she can choose to appoint a person, or independent directors of the Company can attend the meeting instead.

1. The company has the policy to support or promote any particular shareholders, including institutional shareholders to participate in general meeting of shareholders.
2. The company provided the website to offer news and information such as quarterly financial report for the year, the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2.). As well as the invitation to the general meeting of shareholders, which contains the date and time that the agenda. Supporting the decision for each agenda item The rules that are used in meetings and procedure pronounciation completely, which is the same data that is delivered to shareholders in paper format by publishing information via the company's Web site at least 30 days before the meeting to allow shareholders to have sufficient time to study the information.



3. The company held a shareholders' meeting by facilitating a meeting place in terms of located in the city center, easy access and provide sufficient time to conduct the meeting.
4. The company open up opportunities and grant shareholders to propose the agenda of the shareholder's meeting on matters that are important and believe that the proposed list of candidates qualified for appointment as the new Director of advance. By clearly defined operating through the company's website.
5. The company gives the rights of shareholders to submit questions on the agenda at least 1 month before the meeting via the Company's website.
6. The company encourages shareholders to use the proxy form format that shareholders can assign directions to vote and nominate independent directors at least 1 person as an alternative to shareholder's proxy.
7. The company is entitled to shareholders who join after the meeting began to have the right to vote in the agenda of pending and has not voted.
8. The company provides a representative from audit firm to count of the votes in those meetings and disclosed in the minutes of the meeting and shareholders.

### 3. Equitable Treatment of Shareholders

The Company recognizes the importance of shareholders and supervises the execution of all shareholders equally and fairly as follows.

1. The proposed agenda and nominate persons to be appointed as directors

The company gives opportunity for the shareholders to propose additional agenda ahead and nominate a person to be considered as an advance on the basis of to the criteria the company in annual general meeting 2022 Both would be published through the Stock Exchange and the company website prior to the shareholders ' meeting on October 28, 2021 to December 31, 2021

2. Proxy to attend shareholders ' meetings

In the case of shareholders are not able to attend self. The company allows shareholders may appoint any other person Independent director of the company or to attend the meeting instead. In order to maintain their rights and introduce the methods and steps in the proxy clearly as the company delivered with the proxy pattern B. which shareholder can determine the direction the vote. In case of foreign shareholders, the company has sent invitation letter, English version and proxy pattern C to facilitate foreign shareholders, and can be seen from the company's website.

3. Determining the right to vote at the AGM, the company has granted to the shareholders to vote according to the number of shares held by each share is entitled to one vote. And do not share any privileged to limit the rights of other shareholders.

4. Each agenda voting done openly and every agendas used of a ballot and collected the ballot only if the shareholders do not agree or no vote except the election of directors. Every agenda would collect the ballots of all shareholders attending the meeting by using a barcode in the vote on each agenda.

5. Policies and Methods of Use of Internal Information

It is our policy to prevent our Directors and Executives from using information on securities trading and other confidential information for their personal gains, the details of which are as follows:

1.) Firewall and antivirus program are used to prevent unauthorized access to our information and to protect our data.

2.) For security reason, access levels are set in each computer program for different employees.

3.) A clause concerning storage of internal data and prevention of access thereto is included in the contract of employment, work regulations, management policy, work procedures, stating that the Company's undisclosed confidential information may not be used for personal gains or for the benefit of outsiders.

4.) We shall notify our Directors and Executives of the confidential information and order them not to trade any company's securities during the period of 7 days before disclosure of our financial statement to the public. Making any transaction during that period constitutes a breach of discipline. The penalties vary from verbal warning, written warning, and suspension from work or dismissal. The offender will be required to reverse the transactions and donate the profit to charitable organizations.

5.) The persons from outside, who take part in the audit or make transactions that may affect the price of the Company's securities, must make a non-disclosure agreement with us, which will be in force until we disclose such confidential information to the Securities Exchange of Thailand and Securities and Exchange Commission.

6) The Company's shareholding structure is not complicated. Almost of all transactions occurred a normal business transaction.

7) The company operates in accordance with the law, requirements of the Exchange Act, the Securities and Exchange Commission, rules and procedures of transactions, and rules for the acquisition and disposition of assets.

#### 4. Rights to Stakeholders

The Company is aware of the rights of stakeholders and has a policy to ensure the importance of those rights by the appropriate prioritization of all stakeholders, which are shareholders, employees, executives, customers, partners, creditors, society and the general public. Cooperation between stakeholders shall be made according to their roles and responsibilities so that the Company can run

smoothly and strongly in order to fairly benefit all groups of stakeholders. The company also made commitment to social and environmental sustainability, anti-corruption, do not infringement of intellectual property and copyright, and respect for human rights.

#### Shareholders

Through our knowledge, ability and integrity, we intend to make our business grow steadily for the long-term benefit of shareholders and the protection of our properties and interests. We regularly present correct and complete performance reports so that shareholders are kept abreast of all the latest developments. We pay dividend regularly and avoid any conflict of interests.

#### Customers

We intend to establish brand loyalty and ensure customer's satisfaction. Through innovation, we constantly add value to our products and services to meet the requirements of customers of all age groups. We have many salesclerks in leading shops and department stores nationwide; they are happy to send customers' feedback and complaints to us, and we always treat all customers' complaints fairly.

#### Employees

Employees are valuable resources and the key to the success of the organization. We provide training to our employees to improve their knowledge and ability so that they will make achievements in their career. We offer our employees the opportunity for advancement on the basis of their potential. We also allow our employees to set directions for the Company's operation and growth. We pay our employee fair salaries – commensurate with their knowledge, abilities, responsibilities, performance, the way they maintain good working conditions, safety to lives and properties. We take care of our employees in respect of safety and provide them with staff welfare such as;

- First Aid Room
- Annual medical checkup
- Special price product to relieve employee cost of living
- Uniforms
- Provident Fund
- Emergency loan for employee in low rate interest
- Training and conference both on-site and off-site for employee development
- Sending employee to inspect domestic and aboard

#### Trading Partners and/ or Creditors

The Company gives importance to business partners or creditors who are important to the production cost of the Company. The Company has set the criteria for selecting and evaluating vendors

as well in order to ensure that the seller has ability to respond to the quality requirements of the Company and the customer, different product materials and including the assessment of the seller as follows.

The criteria for selection of raw materials and general product materials are as follows.

1. Delivery time 2. Price of the product 3. Minimum order quantity 4. System for checking each product according to the specified standard. 5. Payment terms 6. Production period 7. Production capacity 8. Delivery frequency

The criteria for selection for raw material, which is used in production, and the employment of equipment, which is used in production\are as follows.

1. Product quality 2. Time to solve problems 3. The amount sent regards to the purchase order 4. Deliver the goods at the specified time. 5. Payment terms 6. Document delivery system (only for overseas sellers), which the Company has provided a form to select the seller and arrange for a seller assessment at least 2 times a year.

The Company will maintain and comply with various trade agreement terms with partners and strictly creditors, and not calling or accepting property or any other benefit that is dishonest in the trade. The Company will create a good relationship and understanding including exchanging knowledge and jointly developing products and services to add value to products and services. If in the case of non-compliance with the agreed conditions, the Company will inform the creditors in advance in order to find ways to consider further solutions.

The company has a policy to recommend customers to join the Anti-Corruption project. persuaded business partners to attend the meeting and listen to details about the CAC FOR SME project.

#### Society and Environment

The Company operates its business with regards to the impact on natural resources and the environment, consciousness cultivation, responsibility to the community and society in the Company continuously. This includes supporting activities that are beneficial to the community and major society. The Company does not take any action or to support illegal actions or to cause harm to the country and / or to society and national security by setting policies and activities that relate to social responsibility (in accordance with 10. Social Responsibility Topic (CSR).

#### Competitors

The company complies with the rules of fair competition. It does not seek confidential information of competitors through inappropriate methods, or that of against any law. There are guidelines for the following practices

1. Conducting within the framework of good competition.
2. Not trying to damage the reputation of competitors by accusing them without the truth

3. Not seeking confidential information of competitors with dishonest or inappropriate methods such as paying stipend to employees of competitors.

4. Supporting and promoting free Fair trade, not monopolization or requiring customers of the company to trade with the company only

5. Supporting cooperation with competitors that are beneficial to consumers, not for monopolization of revenue allocation and market share, reducing product and service quality, setting prices for product and service which will cause a negative effect on consumers as a whole.

#### **Non-infringement of intellectual property or copyright.**

The company has policies and practices relating to any infringement of intellectual property rights. The directors, management, employees of the Company, and all its subsidiaries operate under the Code of Conduct on the subject of intellectual property or copyright. By protecting the intellectual property of the company not to be violated, and avoid infringing the intellectual property of others.

#### **The anti-corruption and bribery for business**

The Board has policy to fight against corruption. The company has signed a commitment in the Private Sector Collective Action Coalition against Corruption. Along with the Directors, executives and employees of the Company and its subsidiaries are all performed in accordance with the fight against corruption. The policy focused on raising awareness for employees and executives at all levels of the negative effect of corruption include creating good values to develop an accurate and transparent monitoring effectively without causing a risk of damage to the business. The company also set policies relating to fraud against corrupt clearly in order to prevent such problems and operating according to the relevant laws and regulations. The company has set its managing director, employees, and subsidiaries to comply with all Anti-corruption policies as follows.

- Emphasis on cultivating the consciousness of employees and managers at all levels. Aware of the consequences of corruption, including creating good values to organizational development, fidelity must be transparent, and can be monitored efficiently.
- Determine to company directors and employees to follow the policy against corruption without getting involved with the corruption, whether directly or indirectly. For the benefit of the company towards themselves, family, friends, and acquaintances.
- Create a system of internal controls to prevent fraud. That will result in transparency and good corporate governance, occurs as the concrete and can be checked.
- The Company has taken steps to protect the complainant that complaints will be stored as the confidential. And safety of the complainant is significant. He/she will be protected from unfair practices.

- Corruption is the abuse of the company's business which must be punished by regulations of the company and also the common law if the action is illegal.
- The company is aware of the importance of communication and public relations in order to build knowledge and understanding of the Board of Directors and employees, as well as those who are involved with the company in accordance with the policy against corruption.

However, policies, practices, including the creation of internal control system are to prevent corruption. It will result in transparency, good corporate governance, concrete practice, and able to be inspected. From such of standard is to fight against corruption includes finding appropriate solution. The channel a report or complaint to the Audit Department of the company, and independent director of the company by the company has published such policies on the company's website [www.sabina.co.th](http://www.sabina.co.th)

#### **Occupational health and safety**

The Company has policies and guidelines on health, safety and working environment by providing health checks for employees have the right to medical expenses Including basic medicine equipment for employees and adequate and appropriate welfare It also provides a safe and hygienic working environment and has controls to reduce the risk of accidents and health which may occur in the workplace, having to check light, color, sound, dust, smoke in the workplace and provide equipment in defense and have regular training.

#### **5. Communication channels and The protection of whistle-blower complaints practices**

The Company has channels for stakeholders, which can send suggestions, comments or questions including complaints to the Company via the Company's secretary. E-mail address: [vaja@sabina.co.th](mailto:vaja@sabina.co.th) or investor relations department E-mail address: [ir@sabina.co.th](mailto:ir@sabina.co.th) Telephone: 02-4229400 Postal address: Sabina Public Company Limited 12 Arun-amarin Rd., Arun-amarin, Bangkoknoi, Bangkok 10700.

In the case of an important issues or subjects that may cause damage to the Company, the secretary will present the matter to the board of directors of the Company.

The Company has provided measures to report clues, complaints, wrongdoing, ethics, or behavior that may cause corruption or misconduct from the personnel in the Company both from employees, related persons, and stakeholders. Complaints and suggestions can be reported via the internal audit department, which serves as a complaint agency and the following suggestions.

#### **Process when receiving complaints**

The Company provides opportunities for employees and stakeholders to have channels to report clues and complaints as guidelines to develop and sustain the organization as follows.

- Complaint recipients gather facts that related to violations or not complying following the Company's anti-corruption policy.
- Complaint recipients report the facts to the independent directors to investigate the facts to consider the complaint by identifying matters related to anti-corruption policies, dividing into political support, financial support and donations for charity, and receiving gifts, property or other benefits.
- Action measures by the recipients of the complaint presented to the Anti-Corruption Committee to investigate the facts and to set measures to act to suspend violations or non-compliance with anti-corruption policies.
- The recipient of the complaint is responsible for reporting the investigation result to the complainant. If the complainant discloses himself in the case that is important. The recipient of the complaint reports the investigation result to the Chairman, and / or the Board of Directors to acknowledge.
- If the accused acting in real corruption is considered a violation of anti-corruption policy, he/she must be considered disciplinary punishment according to the Company's regulations. In case of violating the law, he/she must continue to receive legal penalties.

#### Channels for reporting complaints

- Internal Audit Department via e-mail : [GRP\\_AUDIT\\_HO@sabina.co.th](mailto:GRP_AUDIT_HO@sabina.co.th)
- Internal Audit Department via phone : 02-422-9400 dial 9309, 9404
- Internal Audit Department via mail : Internal Audit Department via phone
- Or report directly through the audit committee

Mail: Sabina Public Company (Limited)  
12 Arun Amarin Road Kwang Arun Amarin  
Ket Bangkoknoi Bangkok 10700

The general complaint will be collected by the secretary of the audit committee to report to the audit committee directly and the company will take further steps.

#### Protection of complainants

- Complainants can choose not to reveal themselves for security reasons/ However, if the complainants choose to reveal his/her identity, the company can report progress and explain facts to the complainant.
- The recipients of the complaint must confidentially keep the information and prioritize the safety of the complainant. By providing protection for the complainant and / or the person who provide the

information and / or data verification cooperation, they will be protected from unfair practices, such as changing job positions, job characteristics, workplaces, work orders, intimidation, interference with employment, termination due to the cause of complaint, etc. General information will be kept confidentially only to the Chairman of the Executive Committee and / or the Audit Committee and to be confidentially and directly kept by the Board of Directors and the Audit Committee.

In addition, the company provides channels for clues reporting or complaints for any related personnel to file a complaint in the event of a violation of the law and the code of ethics of senior management. The violation of the company's business ethics includes violation of rights and the behavior that implies corruption and inequality, via the following channels

Mail: : Chairman of the Executive Committee or Chairman of the Audit Committee  
Sabina Public Company (Limited)  
12 Arun Amarin Road Kwang Arun Amarin Ket Bangkoknoi Bangkok 10700

The general complaint information will be confidentially kept only to the Chairman of the Executive Committee and / or the Audit Committee. The company will not disclose the information of the whistleblowers and treat them fairly. As for the misconduct of top management, the complaint will be collected directly by the audit committee and the company will take further steps.

## 6. Information disclosure and transparency

### 1. Information disclosure

The company has revealed important information of various related companies, accurately and timely in the annual report including explanation and analysis of the management of various news through the website and the securities market the company's website [www.sabina.co.th](http://www.sabina.co.th) both Thai and English.

### 2. The preparation of the financial report

To show the responsibility to prepare financial statements that are required to be sufficient transparency to the Board of Directors, which is responsible for the company's consolidated financial statements and the financial information that appears in the annual report has been prepared in accordance with accounting standards generally accepted. By using the appropriate accounting policies and practices on a regular basis, as well as the disclosure of important information in notes to the financial statements, the assembly had considered and reasonable prudence in preparing financial statements by the Board of Directors have been appointed to the Audit Committee, which is comprised of independent directors to act responsible about the quality of the financial reporting and internal control systems.



3. The company has announced a policy, regulatory affairs, and ethic in business, company's directors, executives, and employees. Written and published through the company website.

4. The company's Board of Directors has established a social and the environment responsibility policy by promoting and supporting the execution of policy consistently and regularly.

5. The company has to disclose the transaction. The company abides by the rules of the Securities and Exchange Commission and discloses details of transactions, individuals who are making transactions, relationship of terms / policies between price and value.

6. The company has a policy that directors of the company must be reported to the buy-sell shares/securities holdings of the company to be informed by the Board of Directors at all times.

7. The Company has a policy for the Board of Directors to report the interest of the directors, and the executives must report to the Company every time when having their own interests and related persons within three months from the date of appointment or the date of change.

#### 8. Remuneration of Directors and executives

The remuneration of the Board of Directors is clearly transparent by comparison with the company in the same industry to be able to attract and retain directors who are knowledgeable. Remuneration of Directors is also proposed for approval by the shareholders ' meeting every year. For the executives ' remuneration is in accordance with the principles and policies set by the Board of Directors which linked to the performance of the company and the performance of individual persons.

#### 9. Investor Relations

Board of Directors give priority on the disclosure of information, both financial and non-financial information that is adequate, transparent, timely and thorough with the Company's disclosure information, news to shareholders, investors and those involved have been informed via the company's website. [www.sabina.co.th](http://www.sabina.co.th) so shareholders can access information easily and quickly, such as the nature of business financial statements, shareholding structure, organizational structure, annual invitation to AGM, and other necessary information.

In addition, the company has been established the Investor Relations department to provide data and information activities of the company with investors, shareholders, analysts, and the general public which manage by Investor Relations via email [ir@sabina.co.th](mailto:ir@sabina.co.th) or phone call. 0-2422-9400.

### 7. Leadership and vision

Board of Directors is committed to operating the company to progress, and stable growth for the best returns to shareholders. Board of Directors performs with the knowledge and ability in the

duties and responsibilities, and caution in the management of the company which abiding by the laws and rules of conduct that is good about the business, and ensure compliance with the objectives and targets set out for the interest of its shareholders and stakeholders all parties.

Board of Directors assigned the Executive Committee representing the vision, mission, policies and budgets to the Board of Directors for approval and guidance to the Board of Directors to supervise, monitor and evaluate performance to meet the target, and add value and wealth to the Company and shareholders. At the same time, take into consideration the interests of all stakeholders and the company's Board of Directors has considered, approved, and reviewing the company's mission, vision, and Regularly for approval and monitoring, management plans, agreeing to comply with the direction, placing it on a regular basis.

The board has monitored the implementation of the company's strategy. In every quarter of the Board of Directors' meeting, the Board monitors the performance of the management by specifying a report on the results of operations and results of the company, especially in terms of financial goals and plans in order to be in accordance with the strategy set out.

The company's Board of Directors has considered defining roles and responsibilities in the implementation of the company's Board of committee and the management of the company have clearly separate both the structure and compliance officer. Both sides are working together on this power of Attorney specifying the scope of executive power level is defined and the operation each aspect clearly.

In order to fulfill the duties of the Board of Committees to succeed with the purpose and scope of the powers, duties, and responsibilities that have been assigned the company arranges orientation for new directors by the company to prepare and submit information that is beneficial to the new Committee the duties such as funding structure, shareholder structure, brief biography, list of Board of Directors and senior management, nature of business and past performance. They will be encouraged to training, knowledge of the company's corporate governance, the preparation of a summary overview of the business, and past performance, as well as the policies and regulations of the company, therefore the new Committee would have understanding for best practices with handbook for directors of listed companies to guide operations.

## **8. Conflict of Interests**

We comply with the regulations of the Securities and Exchange Commission and the Securities Exchange of Thailand. The Board of Directors follows clear guidelines on how to deal with conflict of interests carefully and reasonably.

Before making any transactions that involve conflict of interests, we will disclose to the Meeting of Shareholders the values of transactions, the names of the parties under the contracts and

the reasons that make such transactions necessary. The disclosure shall be transparent and its validity can be proved. If any transaction shall receive the approval from the Board of Directors, and/or the shareholders' meeting, the transaction must receive the consideration of screening from the Audit Committee which will provide the opinion toward the transaction.

When the Board of Directors provides different opinion from the opinion of the Audit Committee, the Company shall disclose the said different opinions. In addition, when a Director has a conflict of interest in any agenda, the Director shall be abstained from voting right of the agenda which follows the regulations of the Stock Exchange of Thailand.

Moreover, the Company has stipulated the principles for the Company's Directors, Executives, and related persons to report their conflicts of interest or related persons' conflicts of interest concerning the management of the Company and its subsidiaries. The report shall be included in the meeting agenda of the quarterly meetings of the Board of Directors as stipulated by the regulation of the connected transaction.

The company has disclosed a transaction with persons who may have a conflict in the year 2021 including the Board of Directors gave the opinion that all the transactions between the reasonable and beneficial to the business of the Company, pursuant to the Stock Exchange Commission regulations.

In addition, the Company has a policy that prohibiting the management and staff to trade securities of the Company during the 7 days prior to the public disclosure of financial statements which is considered as a disciplinary offense under the regulations of the company. If such of acts are for personal benefit within their intention before revealed to the public. There has to refrain from trading securities or wait for the investors receive information after the date it was published at least 24 hours, but if the data is very complicated is 48 hours waiting after it is published, also the director and the management of the Company's securities are traded, must notify the Securities and Exchange Commission, The Stock Exchange of Thailand and the company to acknowledge every time.

The company has a policy for directors and senior management to inform the Board of Directors about their own stock trading for at least one day in advance before trading.

The Board of Directors has also determined that there have been reports of securities holdings of Directors and Executive Directors, including the legitimate family of a Board of Directors. Including a duty to report holdings of securities and securities holdings changes to the Securities and Exchange Commission of Thailand.

## 9. Business Ethics

The Company is committed to conducting business by adhering to the principles of honesty, transparency, fairness and in accordance with the law. In order to increase confidence among shareholders, customers, business partners, competitors, employees and the society as a whole, the Company will control and monitor the use of personal interests and related parties by using internal information that has not been disclosed or that is confidential to be used or disclosed to a third party or any action that causes a conflict of interest.

In addition, the Company has also prepared a business ethics manual, and written practices and communicate to all directors, executives and employees to acknowledge and strictly adheres to and strictly complies with the regular follow-up of the manual.

The company has periodically tested all employees on the rules and operations, as well as Human Resource Policy Testing, through the company's internet systems to ensure that all employees have the knowledge and understanding of rules and regulations and are able to appropriately perform their duties. The result evaluates the level of knowledge and understanding of employees in order to improve communication for employees to have a thorough understanding and be aware of their duties in promoting good corporate governance of the organization. The company has improved and developed the test to comply with the ever-changing laws and regulations. It also requires the test taker who does not reach the specified criteria to study for additional knowledge and retake tests until passing the criteria. In addition to requiring current employees to take tests as part of their performance indicators, all employees who work during the year are also required to do the test in addition to attending the orientation. The test results are considered as part of an employee's performance in an Annual performance evaluation.

The Company has published the Code of Business Ethics on the Company's website under the heading "Corporate Governance".

## 10. Balance of power of the board

The structure of the Board of Directors on December 31, 2021 consists of 4 Executive Directors.

Director who meets the definition "Independent directors" of the Board of Directors of the Securities and Exchange Commission and the Stock Exchange of Thailand. 5 Persons served as member of the Audit Committee of the company 4 persons.

At every annual general meeting, directors retire 1 of 3 which are or close to 1 of 3 of the company's regulations. When directors have reached an agenda, they might be elected next term.

**11. Integration or Segregation of position**

The Company has segregated authority and authority by approving and the operation of the Company clearly according to the types of transaction by dividing into categories according to the line of work, including production units, accounting and finance departments, Human Resource unit, Sales agencies in the country and abroad, and others, which have been included in the authority approval and operation regulations No. 1/2006 dated 1 September 2006.

**12. Board of Directors' diversity policy**

The Board of Directors is aware of the benefits of business operations and therefore has specified the diversity of the Board and is seen as one factor in increasing the efficiency of business operations, decisions and the work of the board.

However, the diversity is not just limited to gender, but also age, educational background, professional experience, skills and knowledge. Therefore, the selection and appointment of the Company's directors will be based on knowledge, capability, and the selection criteria that have been considered for the benefits of diversity.

**Authority of the Chairman and Managing Director**

The Board has the duties and responsibilities for the Chairman and the Managing Director who authorized to carry a variety of companies which can be summarized as follows

**Duties and responsibilities of the Chairman**

The Chairman of the company is responsible for the policy and administrative management, tracking business plan and operation, advice and assist but do not participate and interfere with the normal operations of the day. In addition, the Chairman of the company must have the leadership by not influenced by the administration and managing departments. The Chairman holds the president position the meeting of the Board of Directors meeting and shareholders' fairness, support and encourages attendees to use rights and compliance with corporate governance principles strictly and efficiently.

By defining the composition, size and structure of the Board of Directors of the company to induce a balance between Executive Directors and independent directors.

Arrange the participation of Executive Directors, Non-executive directors, and independent directors on the activities and processes of the Board of Directors for decision.

Provide assessment and develop a portfolio of the company's Board of Directors on a regular basis and look forward to collaborating directors and directors' performance.

### **Duties and responsibilities of Managing Director**

The Managing Director is responsible for routine administration in order to meet the objective complied with regulations policy statements, resolutions of the Board of Directors, and/or resolutions of the Board of Directors and/or the shareholders' meeting resolutions.

1. To provide preparation of business policy, business plan and budget for presentation to the Board of Directors for consideration and approval, and is obliged to report the progress of the business plan, the approved budget as approved by the Board of Directors in accordance with the defined period.

2. Manage the company's business operations in order to comply with the company's business policy. Business plans and budgets to achieve the financial goals that were approved by the Board of Directors.

3. Set resource allocation target for operation to comply with the management policy. Ensuring that the overall business growth of the company under the objectives and business plan.

4. Set review and strengthen the Organization's standards, there is a pure competition, which is something that is essential to the competitiveness and to create value for organizations with the ongoing work with personnel and products.

5. Provide analysis of the current situation and circumstances that might occur in an industrial worldwide to forecast future changes within the industry and change the company's strategy.

6. Consider and approve the appointment of packing withdrawal Migration to consider disciplinary measures, credit, as well as remuneration and employee benefits. Provide a standard assessment of the employee's job performance and review it regularly, such measures must not conflict with the powers of the Executive Committee.

7. Issue regulations on the company's without conflict with policy regulations from statements and resolutions of the general meeting of shareholders, the Board of Directors and Executive Committee.

8. Approve of the company's common finances activities.

9. The competent authority and/or assigned to another person in a premises specifically as empowerment agent and/or assigned to another person shall be governed by the extent of the power and/or under the regulations or instructions received from the Board of Directors of the company. Assigned person might not perform in case of approved materials that may have a conflict of interest (according to the definition of the publishing Committee for the Securities and Exchange Commission or the capital market supervisory board) by there is stake on or may be benefited in either a format, or there may be a conflict of interest with the company or its subsidiaries, unless it complies with policies

and guidelines that have been approved by the general meeting of shareholders or the Board of Directors.

### **13. The tenure of directors and executive director elsewhere**

For the directors to fully devote time and effort to perform their duties, Board of Directors has established a limited number of companies that each director be appointed as follows.

1. The company's Board of Directors has set the policy to the Director of another listed company Chief Executive Officer (CEO) of the company no more than 2.

2. The Board of Directors of the company directors has policy allowed person to be Director in other listed companies no more than 5 companies but does not define as Director in a company that is not registered.

3. In case of any member of the Company required to be directors of other companies more than 5 places shall inform of the reason and to perform such duties in the Annual Information Form (56-1) and annual reports (Form. 56-2).

So far there is no record of the company's Board of Directors held the director for more than 5 listed companies.

### **14. Remunerations to Directors and Executives**

Our Directors are remunerated on a transparent basis as compared with those in other companies within the same industry. This policy is adopted to keep the Directors with knowledge and ability. The remuneration to Directors in proposed to the Meeting of Shareholders for approval every year.

The remuneration to Executives complies with the principle and policy adopted by the Board of Directors, subject to the company performance and the achievements of each Executive.

### **15. Board Meeting**

The Board of Directors has set a minimum meeting of not less than 6 times a year and may have additional special meeting as necessary. The meeting schedule has been set in advance annually and the meeting agenda has been clearly defined and submitted to the Board of Directors before the meeting date in advance sufficiently to allow the Board of Directors not less than 7 working days and to allow the Board to have time considering sufficient information.

In the meetings, the Chairman of the Board of Directors allowing all directors to freely express their opinions and in the meeting, it is to invite the relevant executives to attend the meeting to identify information or provide additional information as a person directly related to the problem in order to make decisions of the Board of Directors. In addition, there is a written record of the meeting,

and storing certified minutes from the Board of Directors systematically which can be checked and referenced at any time. Moreover, in voting for each agenda of the Board of Directors' meeting, there must be no less than two-thirds of all directors.

#### **16. Annual Performance Assessment of the Board**

The company has conducted an annual performance review of the Board of Directors which divided into both evaluation of a whole and individual type. This is the assessment of the Board of Directors and the Board of subsidiaries which have the same guidelines and are consistent with model of the self-assessment of the Securities Commission, including the reviewing to keep assessment appropriate from time to time.

The company has an evaluation process of the Directors which the Secretary would send to the Directors to assess and evaluate and returned to the Company. The Company will not disclose the names of the directors for independently assessments. Then, its evaluation is presented to the Board of Directors and its committees to integrate, evaluate, and determine ways to improve the performance of the Director's.

#### **17. Continuously Knowledge Development of the Board**

1. The company encourages and facilitates training and education as part of its Board of Directors, the management, and all employees to improve working performance continuously.

2. For the new directors, the company arranges orientation by related directors will present information such as shareholder structure, organization structure, nature of business and operations, financial data, subsidiaries data, meetings data, the Board of Directors data, and other related data.

3. The Company encourages directors to attend the related training courses or seminars which organized.

4. The Company provides Succession Plan for the key position which is the part of the strategic plan to benefited successors and be guidelines for the development of executives as planned. Including the case that Managing Director or the Director is unable to perform duties so it will be standby person to support in emergency.

#### **18. Internal Control and Audit**

The Board of Directors attach importance to internal control; therefore, they have adopted the internal control system that covers management, finances and operation to ensure efficiency, subject to the law and regulations on independence that audit can be conducted because there are checks and balances. The internal control system shall be improved constantly.



The Board of Directors has established an internal audit unit, which monitors the internal control and risk management by defining the internal audit unit which report directly to the Audit Committee on a quarterly basis. The Audit Committee will be responsible for reviewing the Company and have adequate internal control compliance.

**19. Investor Relations**

Board of Directors give priority on the disclosure of information, both financial and non-financial information that is adequate, transparent, timely and thorough with the Company's disclosure information, news to shareholders, investors and those involved have been informed via the company's website. [www.sabina.co.th](http://www.sabina.co.th) so shareholders can access information easily and quickly, such as the nature of business financial statements, shareholding structure, organizational structure, annual invitation to AGM, and other necessary information.

In addition, the company has been established the Investor Relations department to provide data and information activities of the company with investors, shareholders, analysts, and the general public which manage by Investor Relations department via email [ir@sabina.co.th](mailto:ir@sabina.co.th) or phone call. 0-2422-9400.

## Ethics and Business Code of Conduct

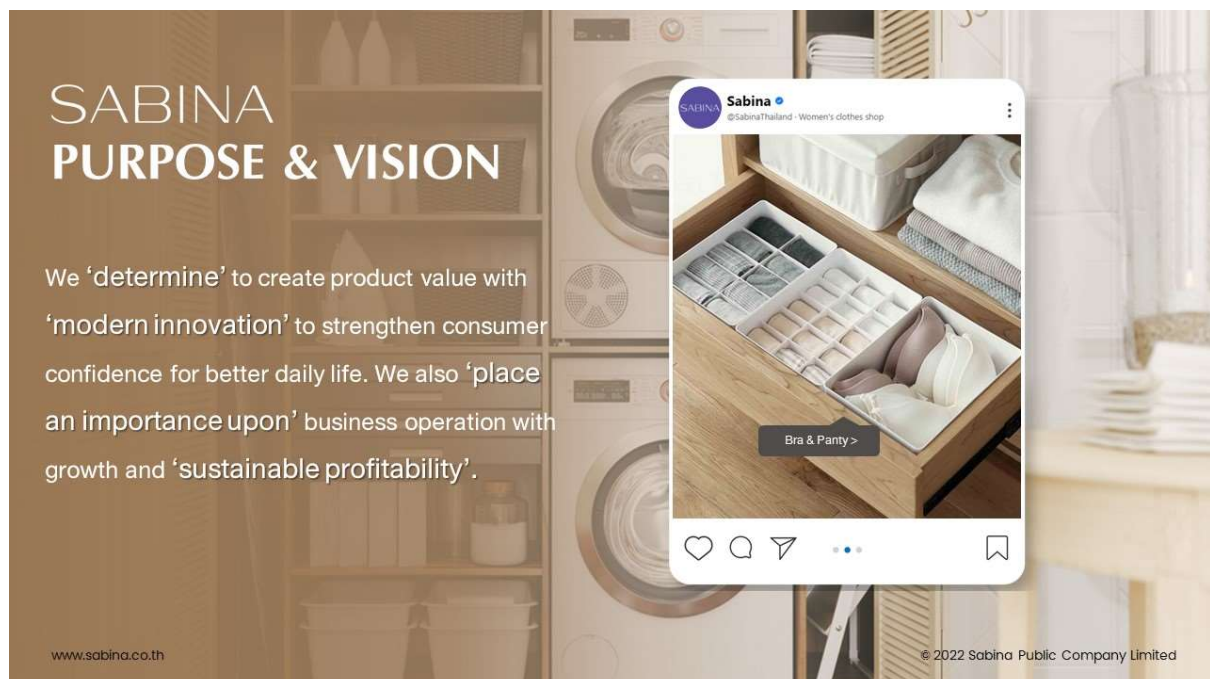
### Introduction

Sabina Public Company Limited, a manufacturer and distributor of women's lingerie, is committed to conducting business with integrity and transparency to all stakeholders relating to the Company including shareholders, employees, customers, business partners and / or creditors as well as society and environment by establishing a code of conduct in the responsibility of various parts. Moreover, the company has passed on these codes of conduct and responsibilities to all levels of the Company's employees as a guideline for ethical business conduct as well as a guideline for directors, executives, and employees to follow correctly and appropriately.

#### 1. Code of Business Conduct

The Code of Business Conduct of Sabina Public Company Limited is a compilation of process to define the scope, the standard of conduct, and behavior for all personnel of the company, including the board of directors, executives, and all employees, to follow in their business conduct and daily operation by acting in the same pattern under the framework of morality and honesty, in a way that is creative, orderly and equal to build the foundation and maintain the image of the company as an organization with sustainable growth.

##### 1) Business Conduct Guidelines



## Purpose and Vision

The company has adjusted the resolution and vision of the company to be more modern and align with the current age and be the long-term goal for business operations of the company. The purpose and vision of Sabina Public Company Limited are as follows:

We 'determine' to create product value with '*modern innovation*'

to strengthen consumer confidence for better daily life.

We also '*place an importance upon*' business operation with growth and '*sustainable profitability*'.

The long-term goal will be stated in the purpose and vision of the company, which will be the foundation of the company and brand to show the determination of the company to operate the business.

### SABINA Mission

- 01**  **SABINA PROMISE**  
Customer satisfaction is our ultimate goal.
- 02**  **DATA-DRIVEN MARKETING**  
Operated with Data-Driven Marketing innovation – decision making is implemented on data utilization.
- 03**  **SUSTAINABLE PROFITABILITY**  
Focusing on sustainable profitability.
- 04**  **LEAN ENTERPRISE**  
Eliminating wastes occurring at every step of supply chain process to consumers
- 05**  **ESG**  
Focusing on sustainable business operation covering environmental, social, and corporate governance aspects.



## Mission

For missions, the company states the operation framework, based on the purpose and vision of the company. Short-term goals (1–5 years) are set as the company mission for clear operations and the minor goals for each section are set using tools to set goals and objective key results for easy result evaluation and real operation. The OKR of every sector in the organization must align with each other to support the overall OKR of the organization to succeed.

The missions of the company are identified as follows.

1. **SABINA PROMISE** : Customer satisfaction is our ultimate goal.
2. **DATA – DRIVEN MARKETING** : Operated with Data-Driven Marketing innovation – decision making is implemented on data utilization.

3. **SUSTAINABLE PROFITABILITY** : Focusing on sustainable profitability.
4. **LEAN ENTERPRISE** : Eliminating wastes occurring at every step of supply chain process to consumers.
5. **ESG** : Focusing on sustainable business operation covering environmental, social, and corporate governance aspects.

## 2) Anti-Bribery and Corruption Policy

The Board of Directors of the company and subsidiaries has a policy for the company's personnel to conduct business with transparency, refrain from seeking benefits or profits that lead to corruption, and strictly comply with the law for clarity and control in activities that are at risk of corruption. The company and subsidiaries should be careful of the operating guidelines of internal departments that may affect corruption as follows:

### Guidelines

- The company's personnel do not act or support corruption in order to facilitate the performance, business operation, or the benefits of departments within the company and subsidiaries together.
- Products, raw materials, cutting pieces, premium, gift vouchers, or materials including sales transactions in cash and petty cash are the property of the company and subsidiaries. All of them cannot be used for personal use.
- Information, procedures, processes, reports, and programs about the production formulas, product designs, and membership customers of the company are considered as the intellectual property of the company, which may not be violated and disclosed to anyone. Furthermore, intellectual property of the company and subsidiaries not to be modified and copied for personal use.
- The operating guidelines of the departments must follow the standard procedures and regulations of the company and subsidiaries to seal all channels which enable acts related to corruption as follows:
  - 1) Opening orders for products to sell directly to the target customers. Any actions beyond the specification of the regulation must be pre-approved by an authorized person only.

- 2) Opening orders for products to showcase to the customers at the reasonable quantity.  
Any actions beyond the specification of the regulation must be pre-approved by an authorized person only.
- 3) Selling products exactly in accordance with the specified price and promotion.
- 4) Record and review sales data based on actual sales and according to the standards, rules and regulations of the Company and the subsidiaries.
- 5) Record and review the information on product returns according to the items returned from the store only.
- 6) Record and review delivery information according to the list of products that have been ordered for sale only.
- 7) Record and review data on import-export expenses according to actual documents.
- 8) Record and review information on expenses for organizing special promotional activities to ensure they are according to the plan.
- 9) Avoid marketing communications that suggest direct comparison with the competitors' products or services.
- 10) Opening product orders for online sales based on the items and quantities ordered by the customer only.
- 11) Design the products for the company and subsidiaries only, whereby outside work must not be brought into the workplace. The interests of the company, subsidiaries, and customers must be considered as top priorities.
- 12) Research and develop products for the company and subsidiaries only whereby outside work must not be brought into the workplace. The interests of the company, subsidiaries and customers must be considered as top priorities and confidential information about the products of the company and subsidiaries are not to be disclosed.
- 13) Must remain neutral in the procurement process not allowing any irrelevant factors to affect selection decisions, and to comply with the standards and regulations of the company and subsidiaries strictly.
- 14) In case of adjusting / changing raw materials or amendment of the costs, the matter must be received from the purchasing department and merchandiser only. After completing the amendment, the relevant agencies must be notified.

- 15) Receiving and disbursement of raw materials including cutting pieces, the accuracy of documents must be reviewed to ensure that they match with the raw materials.
- 16) Recruitment, training, evaluation, compensation, promotion, and the termination of the company's personnel must be performed correctly and fairly in accordance with the criteria of the company and subsidiaries.
- 17) Follow up debt and prepare reports on any abnormalities associated with debt collection honestly.
- 18) Count products at the store and prepare a report on any abnormalities found related to the product count honestly.
- 19) Check the accuracy and completeness of the documents before billing, receiving billing, recording the accounts, and adjusting accounting entries.
- 20) Record accounts, adjust account items, and prepare accounting reports in accordance with the accounting policies of the company and subsidiaries that are under the accounting standards and other related laws with the approval of the authorized person.
- 21) Prepare accurate accounting / financial reports with complete and accurate documentations
- 22) Prepare financial statements, accounting / financial reports and tax return forms for submission to relevant departments as well as disseminating financial information to general investors based on actual information that has been reviewed and approved by authorized persons.
- 23) Accounting / financial documents are to be filed in an appropriate location for the duration required by the law.
- 24) Review expenses to be reimbursed to ensure that they must be expenses incurred from the operations of the company and subsidiaries with reliable evidence supporting the disbursement which has been examined and approved by authorized personnel.
- 25) Make payments honestly according to the documented evidence of disbursement and protection double-payment prevention measures are required.
- 26) The financial reports should be prepared with honesty.

### **Political Support**

The Board of Directors of the company and subsidiaries has a policy for the company's personnel to be politically neutral, and to refrain from taking actions to support any political parties or persons with political power either directly or indirectly. The company and subsidiaries regard respect for political rights and liberties in accordance with the law and adhere to a democracy with the King as the Head of State.

#### **Guidelines**

- The company's personnel strictly abide by the law.
- The company's personnel use their political rights in accordance with the constitutional law such as voting rights, etc.
- The assets of the company and subsidiaries are not used to support political activities of any political parties, political groups, or politicians in order to receive undeserved privileges, or to formulate joint contracts.
- The company's personnel avoid expressing political opinions within the company and subsidiaries which may cause conflicts within the company and subsidiaries.

### **Funding and Charitable Donations**

The Board of Directors of the company and subsidiaries has a policy that the company's personnel be committed to conducting business with transparency and not seeking any benefits or profits that lead to corruption. The company has established procedures and controls on the granting of grants and charitable contributions with the approval of the authorized persons of the company and subsidiaries. It is also monitored to ensure that donations and charitable donations do not lead to corruption.

#### **Guidelines**

- The company's personnel strictly adhere to the anti-corruption policy on donations and charitable donations.
- Funding and charitable donations must be made on behalf of the company and subsidiaries only, and they are not an excuse for corruption. In addition, the evidence must be correct, complete, and reliable in order to be able to be examined.

### **Accepting and Giving Gifts, Properties, or any Other Benefits and Entertainments**

The Board of Directors of the company and subsidiaries has a policy that the company's personnel be committed to conducting business with transparency and not seeking any benefits or profits that lead to corruption. The company has set a policy on accepting and giving gifts, properties, or any other benefits and

entertainments including procedures and controls that can be verified to ensure the confidence of accepting and giving gifts, property, or any other benefits and entertainments that meets the policy of the company and subsidiaries, and does not lead to corruption.

#### **Guidelines**

- The company's personnel comply with the policy related to anti-corruption, giving gifts, properties or any other benefits and entertainment are strictly.
- The company and subsidiaries have established policies relating to giving gifts, property or any other benefits and entertainment to reduce the impact on the decision in the performance of duties arising from embarrassment or a conflict of interest.
- The company and subsidiaries do not prohibit accepting and giving gifts with the company's logo in order to maintain business relationships or act according to tradition and morality.
- Gifts, properties, or other benefits should not be cash or cash equivalents and must not be illegal.
- Entertainment must not be obligated or create a feeling of corruption in return. Moreover, it must not violate any regulations, rules, and laws.
- In the case of selection, price negotiation, and procurement of goods, raw materials, sales areas, or any other benefits for the company and subsidiaries, there must not be any claims to receive or giving of gifts, properties, or any other benefits and entertainment for bribery, leading to undeserved privileges or the establishment of a joint contract as well as resulting in the authorities abstaining from complying with the established regulations.
- The company and subsidiaries have communicated and promoted to the company's personnel including people involved in business operations to create understanding and guidelines on giving gifts, properties, or any other benefits and the entertainments of the company and subsidiaries.

## **2. Company Code of Conducts**

The company has established good practice guidelines of the Board of Directors to demonstrate the intention to operate the company's business with transparency, morality, responsibility to the stakeholders, and professionalism, which is considered the code of conduct in performing the duties as follows.

### **2.1 Compliance with Applicable Laws, Company Rules, and Relevant Regulations**

2.1.1 Compliance with the laws, rules, regulations, and various notices related to the company's business operations are as follows:



1) Directors, executives, and employees must comply with the laws, regulations, and requirements of the Stock Exchange of Thailand, the Securities and Exchange Commission, and other relevant agencies.

2) Directors, executives, and employee are required to comply with the company's corporate governance and business ethics policies as well as other policies that have been promulgated.

2.1.2 Perform duties with impartiality. If there is a matter in which any director has a conflict of interest in the meeting, that director must leave the meeting room and refrain from participating in any consideration of the matter.

2.1.3 Avoiding conflicts of personal interest for transparency and efficient management as follows:

1) Do not misuse the information obtained in the performance of duties for the benefit of oneself or others.

2) Do not misuse the corporate secrets and do not disclose the corporate confidential information even after the condition has expired or ceased to function.

3) Do not pursue personal advantage from being a director of the company.

4) Do not create obligations that may later conflict with duties.

5) Do not accept any items or benefits which is in contrary to the interests of the organization.

2.1.4 Keep corporate confidential information from leaking to unrelated parties that could damage the organization or stakeholders except in the case compliances with the law.

2.1.5 Acquisition or disposition of listed securities of directors, spouses, and underage children shall be in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2004.

## **2.2 Conflict of Interest**

### **2.2.1 Conflict of Interest**

The Board of Directors complies with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand whereby the Board of Directors has clear guidelines for taking care of and eliminating any conflicts of interest prudently with rationale.

In conducting a transaction that may have a conflict of interest, the company will disclose information to the meeting by specifying the transaction value, counterparty, reason, and necessity of such transaction with transparent information that can be verified. If any transaction needs to be approved

by the Board of Directors and / or the shareholders' meeting, such transactions will be reviewed by the Audit Committee first and opinions on such transactions will be given.

In the case that the Board of Directors has opinions that differ from the Audit Committee, the Company will disclose such differences as well. In the event that a director has a conflict of interest in any agenda, that director will not have the right to vote on that agenda according to the regulations of the Stock Exchange of Thailand.

In addition, the Board of Directors has set guidelines for the Board of Directors, Executives, and relevant persons to report their interests or those of related persons as stakes in business management of the company or subsidiaries for providing the company with information to support the implementation of the connected transactions through the Board of Directors meeting every quarter.

According to the policy that directors, executives, and employees are prohibited from taking opportunities from being directors, executives, or employees of the company to pursue personal benefits and / or benefits of related parties, the company therefore stipulates the following guidelines.

- 1) Avoid making transactions that are connected with oneself and / or related parties that may cause a conflict of interest with the company.
- 2) In the event that such transaction is necessary for the benefit of the company, such transaction shall be made as if it was a transaction with a third party having a commercial agreement in the same manner as an ordinary person should do with the general contract with the negotiation power without influence of the director, executive, or related person. Moreover, the concerned persons must not be involved in the approval and has a duty to comply with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission regarding the disclosure of connected transactions.
- 3) In the event that a director, executive, or an employee becomes a director, partner, or an advisor in another organization, that position must not contradict the interests and the direct duties of the company.
- 4) Review transactions that contain or may have conflicts of interest between shareholders, directors, management, and other potential conflicts of interest according to the guideline to be confident that such transactions are appropriate, fair, transparent, reasonable, and all

information is disclosed with accuracy and completeness. In addition, a form of report on disclosure of suspected conflicts of interest of the company shall be included in the Corporate Governance Manual.

- 5) The Board of Directors is required to report the interests of company directors and executives and must always report to the company their interests and the interests of related persons within three months from the date of appointment or the date of change.
- 6) The Company has disclosed the connected transactions which the Company has complied with the rules of the Securities and Exchange Commission of Thailand by disclosing the details of the transaction by specifying the name of the person who has entered into the connected transaction. Relative to the nature of the transaction, terms/policy, price and value.
- 7) In the case of related persons taking part or holding shares in businesses that are in competition with the business of the company which may create a conflict of interest with the company, if they are directors, executives and related persons, they must notify the Board of Directors in writing. If they are employees, the supervisor must be informed in writing and report to the company secretary.

#### 2.2.2 Confidentiality and Usage of Inside Information

The Company has a policy and method to prevent directors, executives, and employees from exploiting the company's inside information that has not yet been disclosed to the public for their own benefit including trading in the company's securities as follows:

1. The company has provided a firewall system to prevent unauthorized people from entering or destroying important information of the company. There is also an Anti-Virus system to prevent the virus from spreading or destroying information.
2. The company has established a security system for employees in accessing the information for each program software to categorize the level of employees authorized to access the information.
3. The company has established the terms of maintenance and protection of the use of inside information in the employment contract and work regulations, corporate governance policy, and non-profit seeking work practices to prevent employees and related persons from disclosing any information or news that is confidential and not yet publicized.

4. The company will notify the management of inside information and buying or selling the company's securities should be avoided or refrained within the 7 days before the financial statements are released to the public. If trading occurs during that period, the company has penalty measures in place and notifications of the penalty are available, starting from verbal admonition, written warning, temporary suspension, and termination respectively. In addition, the company has taken corrective measures by allowing the perpetrators to reverse the transaction and donate the profits from the trading shares to charities.

5. the Company has regulated that directors and top-level executives must notify the Board of Directors regarding their securities trading at least 1 day prior to making the transactions.

6. Third parties participating in the investigation, preparation, or transaction of information that may affect the movement of the company's securities prices are required to enter into a confidentiality agreement with the company until the information is disclosed to the Stock Exchange of Thailand and the Securities and Exchange Commission.

7. The company has a simple shareholding structure. Most of the connected transactions are normal business transactions.

8. The company follows the regulations of the Stock Exchange and the Securities and Exchange Commission Regarding the rules and procedures for making connected transactions, criteria for the acquisition and disposal of assets, etc.

### **2.3 Responsibility for Company's Assets**

The company has policy encourages the executives and employees to use resources and assets of the company efficiently in order to increase competitiveness and provide good service to customers. The company has established the following guidelines for executives and employees:

1. Use the Company's assets and resources conservatively yet to achieve the maximum benefits.
2. Cooperate with one another to prevent the company's assets from depreciation or wrongfully lost.

### **The Company's Intellectual Property, Data, and Information Technology**

The company places great importance on the intellectual property of the company which includes the name of the company, logo, copyright, patent, trademark, trade secrets, innovation, data, and information technology, as the following stipulations:

1. Executives and employees are required to comply with intellectual property laws in every country in which the company invests, as well as announcements, orders, and regulations set by the company.
2. Executives and employees are required to maintain and protect the company's intellectual property from damage, loss, and ensure that the intellectual property is used in the best interest of the company.
3. Executives and employees have a duty to keep trade secrets and company information in the most secured location.
4. Executives and employees must use the information technology provided by the company for the Company's business only.
5. Executives and employees must not disclose the password used to access the company's information system to anyone who is not involved.
6. Executives and employees may not distribute, copy, or use any illegal software in the company.
7. Executives and employees must not use Company's e-mail or computer systems to send vulgar, obscene, harassing, threatening, and slandering messages to others as well as avoid entering illegal websites or violating good morals.
8. Executives and employees must respect the intellectual property rights of others, not to infringe copyrights, trademarks, or use other people's work for personal gains or the company's that may cause damages to the company.
9. Security of information systems, including not disclosing the password that accesses the company's information system to others.

### 3. Code of Conduct towards Stakeholders

#### Code of Conduct for Responsibility to Shareholders

Sabina Public Company Limited is committed to responsibility and creating the highest satisfaction for the Company's shareholders. The Company is well aware that Shareholders are the owners of the business and the company. It is responsible for creating long added value for shareholders. the company has set a policy for directors, executives and employees to follow the guidelines as follows.

1. The company will perform duties with honesty as well as any action With sincerity and fairness to major and minor shareholders which brings the greatest benefit to the public.

2. The company will manage the organization with caution, prudence and transparency by bringing knowledge and management skills to be applied to the fullest extent to prevent damage to shareholders.
3. The company no action may cause conflicts of interest to the Company.
4. The Company will report to shareholders equally about the future trend of the company both in positive and negative aspects which is based on possibility. There is enough supporting and rational information.
5. The company not seeking benefits for oneself and those involved using any corporate data which has not yet been released to the public.
6. The company to present reports on the Company's status, operating results, financial, accounting and other reports on a regular basis and completely and truthfully.
7. The Company do not disclose confidential information which has a detrimental effect on the company to outsiders.

#### **Code of Conduct in Responsibility towards the Employees**

Sabina Public Company Limited is committed to developing, enhancing, and building confidence for employees at all levels by set policy and the following practice guidelines.

1. The company offers fair compensation and welfare to employees.
2. The company ensures that the work environment is always safe for the lives and properties of employees.
3. The company will provide an evaluation system. Any job appointments and transfers, compensation for performance, rewarding, and penalties for employees will be given honestly and equally based on fairness and the employees' knowledge, competence, and suitability without discrimination and verifiable.
4. The company will pay attention to the development of knowledge and efficacy of the employee by providing an opportunity for employees to develop themselves thoroughly and regularly.
5. The company will accept any comments and suggestions from all level of employees equally.
6. The company will strictly comply with the laws and regulations related to employees.
7. The company will manage the business by avoiding any injustice actions which may affect the job security of employees or may threaten and putting pressure on the employees' mental health.

8. The company will treat employees with courtesy and respect the employee's individuality and human dignity.
9. Respect human rights, without discrimination against any persons in employment, including recruitment, payroll, other benefits, career advancement, disciplinary action, employment termination, or retirement due to the similarities or differences in race, religion, gender, age, education, disability, gender preferences, nationality, status, political opinions, or social or racial origin, as well as respect to individual rights and freedoms, and protection of personal information.
10. The company will create an understanding on the code of conduct and the role that employees can perform in their work to encourage behaviors that are within the framework of the code of conduct thoroughly.
11. The company will provide an opportunity for employees to report any violations to the regulations of the organization to the Board of Directors.

#### **Code of conduct on Responsibility towards the Customers**

Sabina Public Company Limited is committed to be mindful of business integrity as well as the customer's maximum benefits by set policy and the following guidelines.

1. The company will produce quality products at a level that is acceptable to the market.
2. The company will disclose information about products completely and accurately, without distorting the facts and taking into account the benefits of the customer as a top priority.
3. The company will provide a guarantee on the product quality covering an appropriate amount of time.
4. The company will not deliver products to customers with the knowledge that the product is of low quality, defected and damaged without providing a clarification to the customer.
5. The company will set up a system for customer complaints about products and services to ensure that customers can get a timely response.
6. The company will provide clear product labels including information such as product code, size, price, production date and product maintenance.
7. The company will maintain the customer's confidentiality strictly including not using the customer's information for personal gains or related person's in a wrongful manner.

8. The company will find ways to reduce production costs by maintaining product quality standards in order to continually increase the benefits for customers.

#### **Code of Conduct on Responsibility towards Business Partners and / or Creditors**

Sabina Public Company Limited is committed to operating the business with integrity and mutual benefits with trading partners and/or creditors by strictly abide by laws and regulations by set policy and the following guidelines.

1. The company will not request, take or pay any benefits that are considered as trade dishonesty from and/or to partners and/or creditors.
2. If there is information that any benefits have been requested, taken or paid that shows dishonesty, the company must disclose details to trading partners and/or creditors and jointly resolve the problems fairly and swiftly.
3. The company will strictly comply with all conditions of creditors, whether it is a matter of the purpose of fund usage, repayment, caring for the quality of the collateral, and any matters that have been agreed with the creditors.
4. If the Company is unable to comply with any of the conditions, the creditor must be notified in advance to jointly consider a solution to the problem based on reasoning.
5. The company will report the company's financial status and financial information to customers and/or creditors with accuracy and honesty regularly.

#### **Code of Conduct on Responsibility towards Competitors**

Sabina Public Company Limited is committed to conducting business with good ethics towards competitors by set policy and the following guidelines.

1. The company will behave within the framework of good competition.
2. The company shall not attempt to destroy the reputation of trade competitors by making false accusations without any facts.
3. The company shall not seek confidential information of the competitors through dishonest or improper means such as paying bribes to employees of competitors.



4. The company will support and promote free trade with fairness and will not monopolize or force the company's customers to only do business with the Company.
5. The company encourages cooperation with trade competitors that is beneficial to the customers, not to monopolize the allocation of income and market share, reducing the quality of products and services, and pricing of goods and services that lead to overall negative impact on the customers.
6. The company will compete within the frame of fair competition rules.
7. The company will not seek the confidential information of its competitors through any means that are dishonest, inappropriate or illegal.
8. The company will not degrade the reputation of trading partners by slandering or take any actions without factual evidence and fairness.

#### **Code of Conduct on Social and Environmental Responsibility**

Sabina Public Company Limited is mindful and cares about the safety of the society, the environment, and quality of life of the people. The Company also places importance on the conservation of natural resources and environment by set policy and the following guidelines.

1. The company will not take any actions that will impact on damaging the natural resources and the environment.
2. The company will support activities that will enhance the betterment of the society and the environment regularly.
3. The company will instill the awareness of social and environmental responsibility among employees at all levels continuously and seriously.
4. The company will oversee that the Code of Conduct is strictly adhere to in accordance with the spirit of the laws and regulations issued by the governor.
5. The company will not assist or encourage circumvention of any laws or regulations.
6. The company will cooperate with the supervisory authority and report information regarding violations or non-compliance with laws or regulations with that agency.
7. The company will not operate or get involved in bribery, corruption, or use of one's authority for personal gains.

8. The company promotes environmental training for employees both within the organization and sends them to other external organizations to train.

#### **Code of Conduct for Occupational Health and Safety Responsibilities**

Sabina Public Company Limited have cares about hygiene. and safety and working environment by set policy and the following guidelines.

1. The company have annual health check-up
2. The company have medical expenses for employees in the organization. including basic medical equipment for employees and adequate and appropriate welfare.
3. The company provides a safe and hygienic working environment. that controls and reduces the risk of accidents and health that may arise from the workplace.
4. The company has checked the light, color, sound, dust, smoke in the workplace.
5. The company has equipment to prevent danger. and have regular training

#### **4. Code of Conduct for Employees**

1. Employees shall perform their duties responsibly, honestly and with loyalty for the advancement and stability of the company and the employees themselves.
2. All employees shall maintain and create unity and solidarity among employees, working together and solve problems as an efficient team.
3. Employees will take care and perform their duties for the company with responsibility, sacrifice, and patience to build a quality, efficient and profitable company in order to drive the Company towards Excellence.
4. All employees will use the company's assets efficiently, conservatively, and with care to prevent depreciation or loss, as well as refraining from using the company's assets for personal gains.
5. Employees will strictly protect the confidentiality of customers, partners, and the company.
6. Employees shall cooperate and assist in working with all colleagues for the benefit of the company and respect the rights of other employees who are united in the same company.
7. Employees should be attentive and help each other to maintain the good working environment and create a safe work practice to create a workplace that is always clean, safe, and pleasurable.
8. Employees will share knowledge and work experience to their colleagues on the essential basis of the Company's benefits and objectives.

9. Employees will not slander the company/management, and colleagues without facts and fairness.
10. Employees must notify the relevant departments and management if it is found that there is any wrongdoing or illegal conducts in the company.
11. Employees shall not exercise their authority illegally for their own personal gains or others'.
12. Employees shall not take any actions which is detrimental to the image and reputation of themselves and the company.
13. Employees shall be determined and strict about all activities that will enhance the Company's quality, efficiency, and drive towards excellence.

#### **5. Ensuring Compliance with Codes of Conduct**

The company determines that it is the duty and responsibility of all directors, executives, and employees to acknowledge and understand and strictly adhere to the policy outlined in this code of conduct, as it is not a voluntary request, and employees may not claim that they are unaware of the established guidelines.

The executives at all levels in the organization are responsible for, and it is important to ensure that employees under their command line understand and strictly comply with business code of conduct manual, and the code of conduct at work.

It is undesirable for the company to take any illegal actions, contrary to good ethics. Any directors, executives, and employees who violate the established code of conduct will be subjected to strict disciplinary action and may be subjected to legal prosecution if such misconduct is illegal.

The Board of Directors requires that the business code of conduct manual be reviewed annually.

#### **6. Whistleblowing, Complaints, and Protection of the whistleblower**

The company and subsidiaries have established measures reporting of complaints, illegal actions, unethical actions, or behaviors that may lead to corruption or misconduct of the company's personnel, related persons, and stakeholders through the reporting and suggestion channels through internal audit department which acts as a complaint and suggestion handling agency as follows.

##### **Procedures and Processes when Receiving a Clue or Complaint**

The company provided opportunities for the company's personnel, related persons, and all groups of stakeholders to directly contact / complain about problems or matters to the Board of Directors. There were channels for reporting clues and complaints to guide the development and create sustainability for the organization as follows:

- The complaint recipient collects facts related to the violation or non-compliance with the company and subsidiaries' anti-corruption policy.
- The complaint recipient reports the facts to the independent directors and performs an investigation of the facts to be used in the consideration of the complaint by distinguishing matters related to the anti-corruption policy issue, political support grants, and charitable contributions, and accepting gifts, property or other benefits, and entertainment.
- The complaint recipients presented to the Anti-Corruption Commission for investigation of the facts with a period not exceeding 30 days from the date of receiving complaints, along with setting measures for actions in order to stop the violation or non-compliance with the anti-corruption policy. The Anti-Corruption committee would screen the information and send it to the company's Board of Directors for further considerations.
- The complaint recipient has reported the investigation results to the complainant within 7 days from the investigation completion date. If the complainant exposes him/herself in a critical case, the complaint recipient must report the investigation results to the Chairman of the Board, and/or the Board of Directors for acknowledgment.
- If the accused has actually committed corruption, it is considered a violation of the anti-corruption policy and must be subjected to disciplinary action in accordance with the company and subsidiaries' regulations. If the accused violate the law, they are subject to legal punishment.

#### Channels for Whistleblowing, Complaints and Counseling

- Internal Audit Department via email: [GRP\\_AUDIT\\_HO@sabina.co.th](mailto:GRP_AUDIT_HO@sabina.co.th)
- Internal Audit Department via phone: 02-422-9400 ext. 9309, 9404
- Internal Audit Department via Post Office: Internal Audit Department
- Or report directly through the audit committee

Sabina Public Company Limited

12 Arun Amarin Road, Arun Amarin sub-district,

Bangkok Noi district, Bangkok, 10700.

#### Whistleblower Protection Measures

- Complainants can choose not to expose themselves if they think it is unsafe for themselves and the people involved. However, if the complainant exposes him/herself, the Company and subsidiaries will be able to report progress and clarify facts to the complainant.
- The complaint recipient keeps the information received from the complainant confidential and takes into account the safety of the whistleblower by setting protection measures for the complainant and / or person providing information and / or cooperation in data verification. Complainants will be protected from unfair practices such as the change of job position, the change of job description, the change of place of work, suspended orders, threats of disruption to work performance, and termination due to the complaint, etc. In regard to general performance complaints will be kept confidential with the Chief Executive Officer and / or the Internal Audit Department and complaints on the senior management will be collected by the secretary of the audit committee to report to the audit committee directly.

In addition, the company provides channels for clues reporting or complaints for any related personnel to file a complaint in the event of a violation of the law and the code of ethics of senior management. The violation of the company's business ethics includes the behavior that implies corruption and inequality, via the following methods

Mail: Chairman of the Executive Committee or Chairman of the Audit Committee

Sabina Public Company (Limited)

12 Arun Amarin Road Kwang Arun Amarin Ket Bangkoknoi Bangkok 10700

The general complaint information will be confidentially kept only to the Chairman of the Executive Committee and / or the Audit Committee. The company will not disclose the information of the whistleblowers and treat them fairly. As for the misconduct of top management, the complaint will be collected directly by the audit committee and the company will take further steps.

## 7. Discipline

The company considers that the business codes of conduct outlined herein is a discipline that all directors, executives, and employees must strictly abide by. Violation or non-compliance is a breach of discipline according to the personnel management regulations.

Directors, executives, and all employees have duties to comply with and encourage others to comply with business code of conduct. Any of the following acts is a disciplinary offense.

1. Non-compliance with Business Code of Conduct
2. Suggesting, promoting, and encouraging others not to comply with the business code of conduct.
3. Ignore or neglect when encountering violations or failing to comply with the Code of Conduct if having the knowledge.
4. Refuse to cooperate and hindrance of the investigation of facts.
5. Unfair actions against complainants from reporting non-compliance with business code of conduct.

## Sustainability Development Report 2021

The company has prepared this Sustainability Development Report to inform and present its performance for all stakeholders' acknowledgement regarding the Global Reporting Initiative (GRI) and to cascade its operations to respond to and be aligned with the global Sustainable Development Goals (SDGs) which will demonstrate its determination to operate its business based on the social and environmental responsibility and to respond to all stakeholders' expectations.

### Scope of the report

This report will present the performance of the topics that are affecting the sustainable business operation of the company including all work processes of the company and its operated subsidiary during the period of January 1 to December 31, 2021.

### Goals and operational policies for sustainability development.

Sabina (Public) Co., Ltd. as Thailand's biggest ladies' lingerie producer and distributor under the brand name "Sabina" has a strong determination to operate its business with compliance to the sustainability principle which covers three dimensions: Economy, Social and Environment as per the following goals:

Goals	Economy	Social	Environment
	A good business turn-over, stable, growth and generating sustaining profit.	To operate its business with responsibility to employees and consumers and to participate in building a sustainable society.	To operate its business without making any negative impact on the environment and participate to reduce greenhouse gases.

The company has established the operational policies for sustainability development so that all working units of the company apply those policies with their operations objectively, cascade the sustainability development goals into all line operations properly, and help to integrate the operational plans for alignment in the same direction to gain the maximum benefits for all stakeholders. In the year 2021, the Sustainability Committee has proposed the related policies, goals and performance to the Board of Directors to review and acknowledge.

Sustainability Development operational policies	Economy	Social	Environment
	<ul style="list-style-type: none"> <li>- To operate its business with good governance principles.</li> <li>- To develop product innovation to respond to customers' needs.</li> <li>- Effective Risk Management.</li> <li>- Equitable servicing to all customers, maintain the safety and privacy of customers' personal information.</li> </ul>	<ul style="list-style-type: none"> <li>- To treat all employees with equitability including developing their skills and knowledge and overseeing their working surroundings.</li> <li>- To respect human rights and accept inclusion.</li> <li>- To contribute to the quality of life development for women with breast cancer.</li> <li>- To contribute to the educational quality development for underprivileged persons.</li> <li>- To generate income for society.</li> </ul>	<ul style="list-style-type: none"> <li>- To manage the general and production waste properly.</li> <li>- To monitor the wastewater drainage and air pollution to avoid any environmental impact.</li> <li>- To use energy sparingly and valuably and use alternative energy.</li> <li>- To develop and improve its operations to reduce greenhouse gases emission.</li> </ul>

### Supply Chain Management

The company gives priority to the supply chain management in every process of the business chain to achieve a good turnover and the business targets. This will start from the utilization of the production materials, improvement in the production lines, warehouse management, transportations and distribution to the customers included to the after-sales services based on the equitable business operations and responsible for the production supply consumptions which shall not impact to any supply utilization of the next generation and responsible to all stakeholders as well.





### Supply Management

**Raw materials and supplier aspect:** The company emphasizes using safe and environmentally friendly materials for the customers. We are beginning to use recycled materials in some particular products by selecting trusted suppliers who comply with the legal regulations and the international standard such as OEKO-TEX Standard 100 certification (The International Association for Research and Testing in the Field of Textile Ecology) or ISO, and so on. We also operate our business with a determination towards social and environmental management especially respecting human rights as well as coordinating with all suppliers to exchange knowledge and material improvement to add value to our products.

**Electrical power aspect:** The company realizes the importance of power utilization in production and emphasizes its effectiveness. For this instance, the company considers using alternative energy, using good quality equipment and tools, and reserving energy by cultivating employees' energy saving conscience.

**Employee aspect:** The Company realizes the importance of employees, which are the most valuable resource of the organization. Therefore, it supports the development of all-round personnel potential by allowing employees to learn new skills (Reskill) as well as providing them with education on more advanced skills (Upskill). Then, they can work differently and use more modern technologies towards the success, along with taking care of the employees' basic human rights for happiness, enjoyment, and challenging work environment.

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## Production Process

The company focuses on every detail of its products from the designing process to suit ladies of all ages and consider minimizing the production materials which are the concepts of some particular products: Wireless Bra and Seamless Fit. The company also manages our production processes efficiently by applying the Lean principle to create more value in all processes and eliminate invaluable works, help reduce the product delivery time and reduce a lot of waste. The company also emphasizes production supply consumption responsibility, so it has launched the Zero Waste Project. Furthermore, the company shall not create any negative impact from our production. Our wasted water or air released from our operations will be treated properly according to the international standard. The company is aiming to be a Green Industry.

## Marketing Channels and Products Distributions/Transportations.

The company has distributed both our products and the OEM products domestically and overseas through three marketing channels, which are retail business, non-store retailing and OEM (Original Equipment Manufacturer). The OEM products will be delivered to the ordering customers, both domestic and overseas. For our Sabina brand, all finished products will be forwarded to the warehouse and distributed into two channels as follows:

1. The products will be distributed to all sales points nationwide of both the company's shops and business partners' sales booths. The company's shop proportion is 17%. The company has developed the Point of Sales (POS) system at every sales point to monitor the sales and inventories so that the products can be distributed properly, in a timely manner, and suit the customers' requirements in each area. This system will help to fill up inventories appropriately and suitably in each sales point to create more sales opportunities.

2. Online sales distribution. The company sells the products online through its official website and other business partners' marketing platforms. The official website online sales accounts for 10% but it needs a very effective administration since the products need to be delivered within 48 hours after receiving the orders. So, the company has developed a special computerized program to receive the orders, to prepare hand-held products order, to generate bills, and forward orders to the transporting providers and the customers' interaction system to notify them about the orders and the delivery status. Furthermore, to ensure the online customers' confidence since they do not have a chance to see and check the real products, the company has launched the No Questions Asked Policy to return the products. This policy helps develop online sales growth rapidly and continuously.

## Transportation

To distribute the products to all sales points nationwide, there are two ways to operate as follows:

1. The company transports the products to the sales points by itself with Full Truck Load or Milk Run patterns with the tracking system to monitor the details and routing status.
2. The company hires other transporting sub-contractors or transportation providers to deliver the products to remote sales points, for urgent cases, or small orders cases.

## Customers

The company emphasized the quality and safe production according to the customers' expectations not to avoid any complaint but to create customers' satisfaction. The company also emphasizes product research and development to create value and product innovation according to the company's vision that is "Create Value with Innovation" to respond to the requirements of the customers of all genders and ages, and to deliver the Product Beyond Expectation to create customers' highest impressions.

Our products respond to ladies of all ages and a variety of alternative genders with all required features since the company has conducted product research and development to cover all requirements of comfortable wear, product design, fashion, and price with the product innovation to create the satisfaction and the surpass expectations at all times.

## Products Destruction Management.

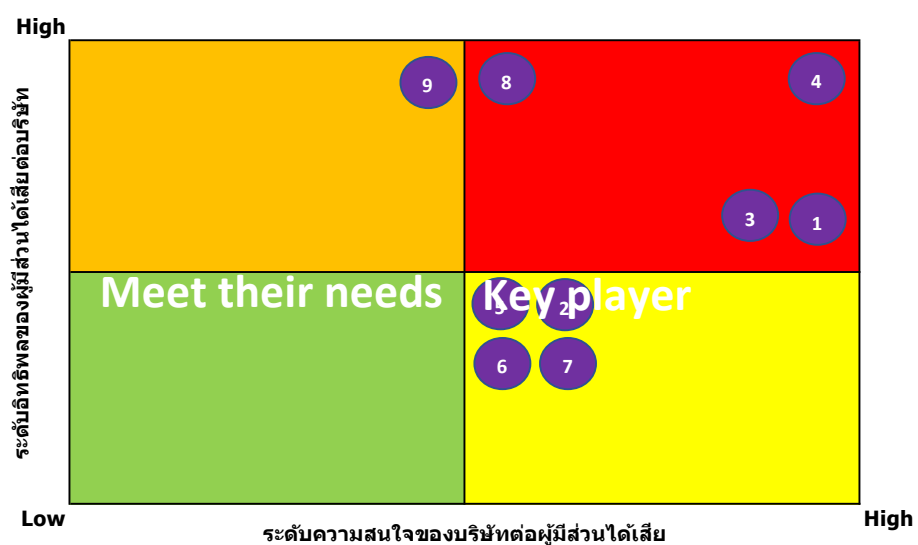
The company has established Customer Relationship Management (CRM) to communicate and build relations with customers, to receive feedback, suggestions and any complaint as well as solve the problems for customers, and refer such problems to the related departments for awareness and prevention.

Furthermore, the company has launched the New Life BRA-CYCLE project for unwanted or deteriorated lingerie. The company has coordinated with INSEE Ecocycle Co., Ltd., a subsidiary of Siam City Cement Group, and Kerry Express (Thailand) Public Co., Ltd. to operate this project since December 24, 2021. The customers can dispose of their unwanted lingerie at any of Sabina's sales point, offices, shops and Kerry counters nationwide. The disposed of lingerie will be forwarded to the INSEE Ecocycle for destruction by a secure incineration system without environmental pollution.

### Stakeholders Rankings

No.	Groups of Stakeholders	Stakeholders' Level of Influence towards Company	Company's Interest Level towards Stakeholders
1	Employees	3	4
2	Suppliers of materials/products	2	3
3	Business Partners	3	4
4	Customers and Consumers	4	4
5	Community	2	3
6	Society	2	3
7	Creditor	2	3
8	Shareholders and Investors	4	3
9	Government and local authorities	4	2

### Stakeholders Mapping



## Responding to the stakeholders

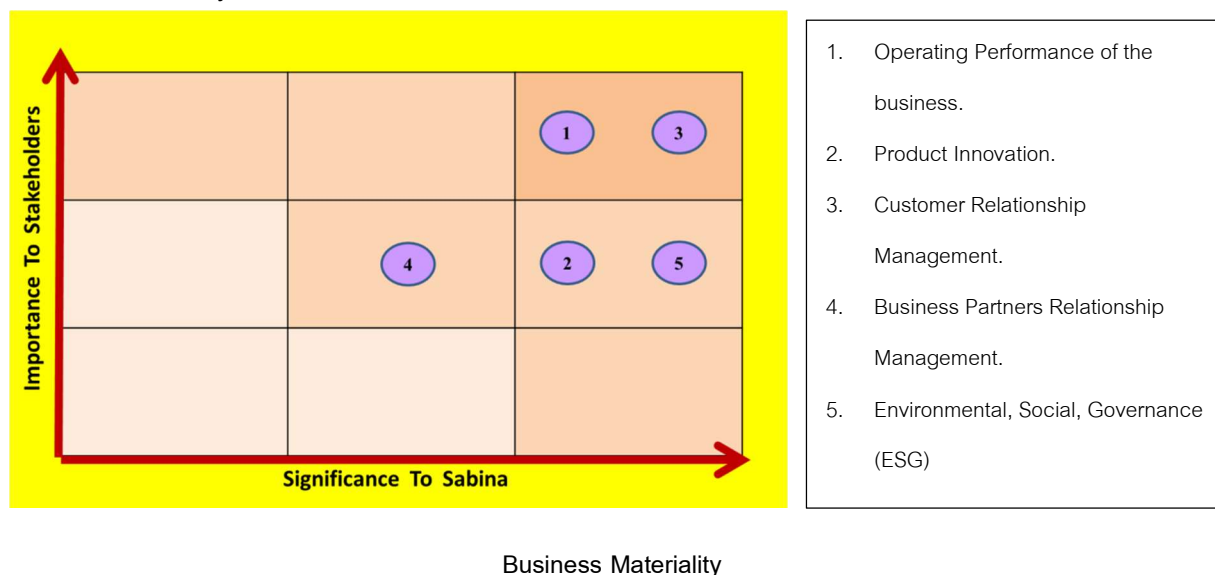
Group of Stakeholders	Participation Channels	Expectation and Materiality Issues	Responding
Customers and Consumers	Social Network, Website, Salespersons, CRM	Products quality/price. Attractive Sales Promotions. Customization.	<ul style="list-style-type: none"> <li>- Marketing Research/Product Innovation</li> <li>- Marketing Strategies/After Sales Services</li> <li>- Quality Control on every process</li> </ul>
Employees	Training, Activities, Noticed Board, Town Hall Meeting	Remuneration/Welfare. Career Advancement. Surrounding/Work Environment.	<ul style="list-style-type: none"> <li>- Training Needs/Competency Improvement</li> <li>- Welfare Committee's Meeting</li> <li>- Annual Performance Appraisal</li> </ul>
Business Partners	Postal mails, E-mails, Telephone, Meeting	Contemporary and Attractive shop display/web page. Speeding Sales/High Sales Volume.	<ul style="list-style-type: none"> <li>- Shop/Web page Design</li> <li>- Marketing Plan/Interesting Sales Promotion</li> </ul>
Shareholders and Investors	Shareholders' Meeting, Annual Report	Dividends. Business Stability. Business Growth.	<ul style="list-style-type: none"> <li>- Increasing Dividend Payment Ratio.</li> <li>- Business Turnover</li> <li>- 3-5 Years Business Plan</li> </ul>
Government and local authority	Postal mails, E-mail, Telephone	Laws compliance.	<ul style="list-style-type: none"> <li>- To operate its business with laws compliance and monitoring process to detect any false action by the Audit Team</li> </ul>
Community	Evaluation Form, Meetings	Garbage and Production Waste. Wastewater and air emission from operations controls. Revenue to Community.	<ul style="list-style-type: none"> <li>- Factory Waste Management.</li> <li>- Community Impact Survey to correct and improve.</li> <li>- Job hiring</li> </ul>

Group of Stakeholders	Participation Channels	Expectation and Materiality Issues	Responding
Suppliers of Raw Materials/Products	Postal mails, E-mail, Telephone, Suppliers Visit	Advanced Order Acknowledge Reasonable Price. On-time payment.	- Submit the future purchasing planning. - Specify the payment terms.
Society	Social Network, Website, Field Work	To create and return benefits to Society. Ethical Business Operations.	- Artificial cups project. - Educational Scholarships. - Anti-corruption Promotion
Creditor	Postal mails, E-mail, Telephone	Ability to pay the debt.	- On-time payments.

### Materiality Identification

To fulfill the business targets, to manage the performance of the environmental impact operations, to coexist and create a positive social impact, as well as the transparency and the good corporate governance to move forward in the same direction as required by the organization and the stakeholders, the company has to collect the relevant data from both internal and external stakeholders to identify the materiality by surveying all related regulations, customers' comments and suggestions from Customer Relationship Management, the information from nearby community questionnaires and the investors' interest to rank the Sustainability Materiality.

### Business Materiality Assessment



**Business Operating Performance** is a key issue that the Company and stakeholders take very seriously because it is a survival or profit – loss, corporate growth, and sustainability.

**Product Innovation** is a key issue that the Company takes very seriously because it is significantly related to the satisfaction of customers who are key stakeholders. The Company is committed to develop product innovations to meet the needs of customers, which directly affect the sales as main revenue.

**Customer Relationship Management** is significant for the Company to build long-term relationships or bond with customers so that they can be loyal and supportive of the brand on the basis of win-win strategy.

**Business Partners Relationship Management** is the materiality issue that the company needs to focus on and support for their sustainable growth together with the company through the improvement, listening, and joint solving of problems based on equitability and transparency. Moreover, the company needs to develop a relationship with the business partners to distribute the products through various sales channels to fulfill the business operations targets and business growth, especially online sales.

**Environmental and Social Responsibility (ESG)** is another materiality issue the company and its stakeholders have emphasized especially when the investors show their interest to invest in any sustainability business. The company has determined to operate its business to reduce the environmental negative impact, and therefore specifies the following environmental policies for all executives and employees to comply with:

1. To strictly follow all relevant environmental laws, rules and regulations to control the environmental impact.
2. To protect the environment and prevent any accident and incident caused by the company's operation which may impact the environment.
3. To administer and review all environmental working plans annually to improve and develop the environmental management system regularly.
4. To save energy by reducing electricity and water consumption for the most effectiveness.
5. To reduce the production waste and use the production resources efficiently.
6. To manage the production waste and general waste properly.
7. To participate in taking care of the weather and to reduce greenhouse gases.

The company shall participate in community development with a concept to build their factories in communities to promote job opportunities in their communities and to reduce social problems of laborers migrating to Bangkok. The company has opened the Chainat factory in 1996, the Yasothon factory in 2002 and the Buriram factory in 2010. Those factories hired many workers from the communities and support the economic growth in the communities (which supports SDG No. 8: Decent Work and Economic Growth).

Furthermore, this concept supports the family members to live together and promote the quality of life of the people in the communities as well.

Therefore, Buriram Factory is a rented factory under the operations of the Community Based Integrated Rural Development – NangRong (CBIRD-NR) by Mr. Mechai Viravaidya which was founded on April 11, 1984, under the cooperation between the Thai Government and Canadian Government and has been granted financial support from the Canadian International Development Agency (CIDA). The factory rental fee is one of the income activities of this CBIRD-NR to support the rural area development and other activities of this CBIRD-NR as follows:

- To establish the Village Development Bank (VDB) in Nang Rong to promote money savings and cultivate the economization of the villagers. This bank will be used as the source of funds for community development.
- To operate the nursery and education center for the children of the construction workers. This place is considered as the “Demonstration Center Model” supported by the Ford Foundation. It is named the “Mechai’s Children Development Center.” There are 11 centers around Bangkok that accommodate more than 2,000 children of construction workers at 3–5 years of age. They are all treated well, both physically and mentally.
- To jointly operate the village development project to train the villagers to be “professional,” “production skillful” and “live with the family.” The villagers do not need to find a job in other provinces. This project helped to strengthen the “family institute” which is the smallest unit in society but it is the most important aspect when talking about the quality of life development of the people in the country.
- To explore the water resource and promote natural resources and environmental conservation. This project will be first launched in the North-East which is facing a shortage of drinking water, household water and especially water for agriculture. Currently, the water resources exploration and community sanitation project has been expanded into every part of the country.

## 1. Business Operating Performance

All details are presented in part 3 of the Financial Statement.

## 2. Product Innovation

### Goals and Determination

The company is determined to be the “Innovation Organization” which produces not only new products to cope with customers’ requirements but also aims to produce future products which the wearers will enjoy the



lingerie innovation which makes their lives better every day and every time they wear it. This complies with the company vision which is *“the determination to create product value with modern innovation to strengthen consumer confidence for better daily life” by developing the innovated product to cope with all customers’ requirements to ensure their highest satisfaction.* Therefore, the research and development team (R&D) was established to work with various departments in the company to collect the research and development data all around through the working process including the new business model. As a result, Sabina can maintain the leadership of the Thai lingerie brand with steady and sustainable growth.

#### Guidelines in Developing the Production Innovation

From such determination, the company invents innovation to respond to the ever-changing demand of the customers. Sabina, therefore, conducts research to study the relation and image the customers perceive towards Sabina’s push-up bra, Doomm Series (Jan 25–27, 2021) by using the qualitative focus group discussion research. In 2011, Sabina launched the Doomm Series bra and Christ Horwang was the presenter in the promotional media at that time. This Doomm Series was well accepted and gained reputation and Sabina became the market leader in the push-up bra segment. For Thai girls with small cup sizes, no other brand had developed its product for this group, the company has developed a new product line of Soft Doomm and released many advertisements continuously. The presenter was later changed to Baifern, Pimchanok Luevisadpaibul and the products were well accepted. However, 2 years ago, the sales volume of Doomm Series had a downward trend, so Sabina carried out research to understand the changing in customers’ needs and behavior of the whole lingerie market. The research found that most of the customers were very concerned about the “sponge padding” in the bra as it is the important part that touches their breasts. So, women give more importance to both “touching when wearing” and the “use” of the sponge padding when comparing with a reasonable price.

Moreover, in 2020, the company invented an innovation called “SABINA Seamless Fit Innovation – Non-slip Tech Bra” which focused on the smooth seamless innovation, more comfort and good cup size. The bra is an item of clothing that directly touch the wearers’ skin, so it must be very soft without stitching. The product has been designed to reduce the stitches as much as possible by three special techniques: weaving, free cut and bonding, to respond to customers’ requirements to wear soft, beautiful and fashionable bras at a reasonable price. This product series was awarded the excellent innovation award from SET Award in 2020. Sabina is continuing to use the non-slip tech in its body bra for more confidence when worn as it is non-slippery and sticks to every cup size. The Body Bra Collection is considered the new era of lingerie. The company decided to use this innovation to produce more than 40 designs of its Product Hero to allow the customers to experience a seamless bra as their daily wear lingerie. This innovation will reduce human sewing by using computerized machinery instead to reduce the workforce, escalate the efficiency of the production, lower the production cost, and enhance the Gross Profit Margin ratio.

From the customers' point of view, lingerie is considered soft and delicate apparel which needs specific instruction on using and maintaining the quality of the bra. The most delicate part is the "sponge padding" as only improper washing can damage the cup. The customers spend a lot of time taking care of their bras which is not suitable for women's lifestyle nowadays. The customers also found that folding their bras and stacking them up was the cause of the cup being broken, wrinkled or damaged after they had been using those bras for just a short time and they had to be disposed of.

Sabina has gathered all problems its customers are facing in their daily life to design new product innovations and hopes that the customers will enjoy wearing a good bra every day. So, Sabina has launched a new campaign called Sabina "**Fong Dee**" which is the first and only brand that gives importance to a small part of the bra but provides great value to the customers. The attributes of "Fong Dee" are as follows:

- **It's good to restore its shape.** Sabina's sponge padding can absorb the pressure very well. It will not be easily damaged or broken, and will restore its shape well. This bra is produced with an innovation of an extra sheet inside the bra which can retain and restore its shape properly. Sabina knows well that girls' wardrobes are so crowded that it may damage the cup of the bra. Sabina therefore produces the restorable sponge padding bra to deal with every situation.



- **It's good at soft touch.** Sabina selects only a good sponge with a soft touch and smooth feeling when worn with good airflow characteristics suitable for a tropical zone like Thailand. The wearers will feel smooth and soft, and it dries easily after washing, with no bad odors.



To create more confidence, Sabina has made a test by biking on its Fong Dee bra and it restores its shape properly. This is a confirmation that the Sabina Fong Dee bra is durable and “good value” for all customers at a minimum price of 690.- baht. There are more than 30 designs to choose from. This Fong Dee bra has received a good response which is reflected in the 15% increase in sales volume in the 4<sup>th</sup> quarter. Sabina believes that this is a result of the delivery of the valued innovation and providing the highest satisfaction to the customers.

The following are the guidelines to develop the product innovation and product quality control of Sabina:

1. To design the work process as “Agile” to adapt and develop new products to cope with customers’ needs promptly. Our marketing team is working with the R&D team to ascertain the customers’ needs then summarize and set up a working group among all concerned, which are the R&D team, Molding Specialist team, related production team and marketing team, to jointly develop a good quality product as well as selecting good production materials to provide a ‘Beyond Expectation’ to the customers.
2. To set up a special project called “All About Mold” aiming to develop good quality sponge padding with 7 characteristics of “Fong Dee” to deliver the valuable product to the customers as follows:
  - 2.1) Comfortably wear with agility, no unease feeling, tightness or pain.
  - 2.2) Good quality of sponge materials, does not easily break according to the test, especially Sabina’s sponge.
  - 2.3) Soft-touch and feeling soft are other key factors. The bra is touching the wearer’s skin, so selecting good quality sponge material to provide softness to the wearer with natural touch is another on the checklist of the Products R&D team.

- 2.4) The sponge material must be light to support the body agility and give more confidence for the wearer.
- 2.5) The sponge must not be rough or hard so that it gives a soft touch.
- 2.6) With the special technology of Sabina, the sponge will not break when worn or after it has been washing many times.
- 2.7) The sponge must be able to restore its shape after using it for a while or if it has been compressed. The selected sponges must be flexible, restorable, and durable for the whole product life.

With the above 7 characteristics set out as the guideline of Sabina's product development, customers can rest assured when purchasing Sabina's product that we are prompt in delivering our quality products with full attention in every process from invention, development, production to delivering the value and satisfaction to our customers.

- 3. Our R&D team and Molding Specialist team have joined with both domestic and international suppliers to select the new materials with good quality and functioning for each model of our products.
- 4. The selected materials by the R&D team and Molding Specialist team will be taken through at least 30 wearing tests and washing tests to check their quality with compatibility to the international standard.
- 5. After passing the wearing test and washing test, the sponge mold will be taken through the durability test by compressing it with heavy materials to calculate the durability level and the restoration of the products.



## Product Innovation Performance

After the Sabina Fong Dee advertisements were released, the products had very good responses and the working team has assessed such good responses into three aspects as follows:

1. **Sales aspect:** positive result in sales as per the target that the sales volume will grow at least 15% in the 4<sup>th</sup> quarter (reference from Sabina's Performance Report of 2021). Even though we have been facing the Covid-19 pandemic, we considered this as a success of the innovation design based on the Customer-Centric concept to create the customers' seamless experience. There are many marketing activities with a support team in every sales channel to serve our customers at our shops and all online sales channels.

2. **Customer Relationship aspect:** this innovation will help create more satisfaction with our products measured by the customers' complaints through the CRM. During 2019–2021, before the company had launched the Sabina Fong Dee, there were 19 complaints about the broken sponge padding, but after launching this campaign, there were no complaints on this matter.

Subject	Before launching	After launching	Difference
Complaint	19 cases	0	19

3. **Salespersons' Satisfaction aspect:** The company has surveyed the Sabina salespersons nationwide which is a sampling group of 904 female salespersons for their attitude towards the Sabina Fong Dee because they are the persons with the closest relation to customers. The survey report found that 92.5% of the salespersons responded that customers were concerned about the damaged and broken sponge padding in the bra and 83.2% answered that the advertisement campaign Sabina Fong Dee helped boost the sales.

From the above three aspects of assessment, it reflects that Sabina is the leading brand of lingerie innovation. The company continues to create new products to maintain market share, enhance business growth and be able to deal with the Covid-19 pandemic situation properly. Apart from this, the company has collected the customers' comments and suggestions from the CRM to analyze for more understanding of their needs and to develop new products to solve customers' problems when wearing the bras and support a good quality of life for the customers. This complies with Sabina's vision to be a growing organization with sustainable profitability.

### 3. Customer Relationship Management and Responsibility to the Consumers.

#### Determination and Goals

The company's main mission is customer satisfaction. Therefore, the Company focuses on product innovation, quality of the after-sales products and services, as well as its commitment for taking responsibility for consumers to build their trusts and confidence in the company's products and operations.

#### Guidelines for the Customer Relationship Management and Responsibility to the Consumers.

The Company maintains customer relations by building trust in its products and developing the sales employees to provide advice on products that are suitable for each person's shape. The Company has the customer relationship management (CRM) department to communicate and build long-term customer relationships, as well as conduct periodic customer satisfaction surveys with the following operational details:

1. To build customers' trust and confidence in the products by establishing a policy of responsibility to consumers. This starts with the design of products that are safe for consumers and environmentally friendly, delivery quality, and standardized products to meet customers' requirements at a fair price, with knowledge and accurate information of the product. In 2020, the Company had no complaints of the customer privacy violations from the third parties or regulators.

Note: Disclosure of information in accordance with GRI 418-1 framework on significant complaints about customer privacy breaches

2. Develop sales employees to be able to suggest products suitable to their shapes and usage purpose. The company has established courses to develop sales employees, which are the basic sales management and advanced sales management techniques. In this regard, the training courses also include a site visit to experience the actual practice from the design process to the production process. This creates a better understanding of employees on the products and enable them to provide better recommendations.

3. Establish communication channels which customers can file complaints to the Company by assigning the CRM department as the contact channel to receive feedback, suggestions, and complaints from the customers in order to improve and continuously develop the quality products. Customers can daily contact the staffs from 8.00 a.m. to 12.00 p.m. through a variety of channels as follows:

1. Call Center via 02 422 9430
2. E-mail [crm@sabina.co.th](mailto:crm@sabina.co.th)
3. Line Official account : @SabinaThailand
4. Facebook page : SabinaThailand

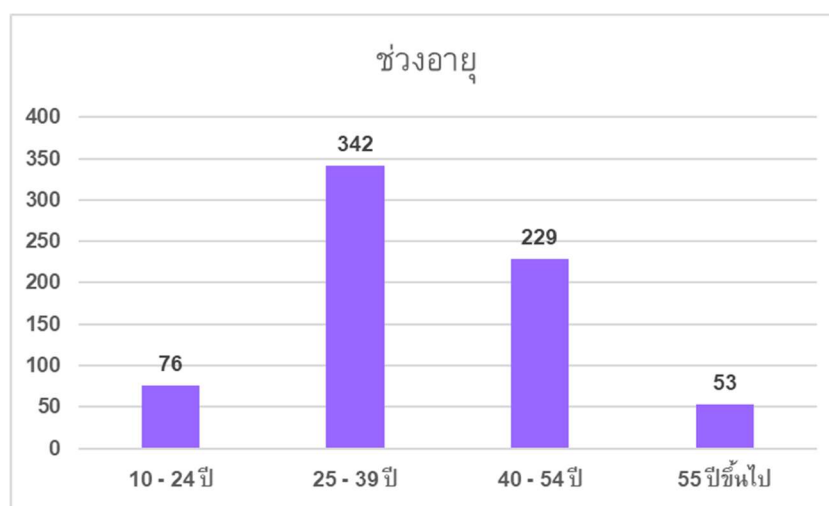
All complaints will be handled carefully and fairly, as well as brought into the investigation process to find a solution to prevent the same incidence to happen again in the future.

4. Provide the after-sales service by modifying items for customers with unique shapes, such as stitching the breast bag, body cutting, and hook extension. In 2020, the company had a total of 525 customers.

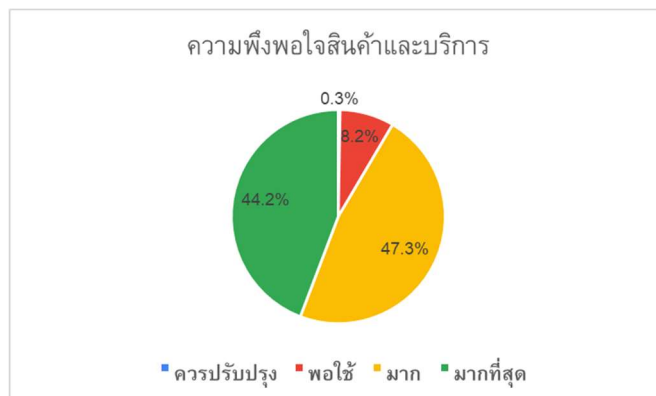
5. Conduct a satisfaction survey of customers who purchase products and services from the company in order to review the standard of products and services. The Company will receive information for further improvement and development of the Company's operations by targeting the highest level of product and service satisfaction surveys of 90% or more.

#### Customer Relationship Management Performance.

From the Customers' Satisfaction Survey in 2021, there were 700 customers answering the questionnaire categorized by age ranges as follows:

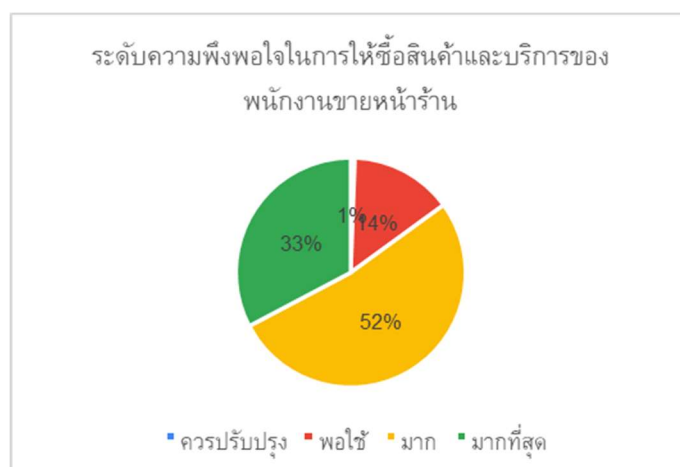


The customers' satisfaction survey report found that customers are satisfied (yellow) and very satisfied (green) with the products and services, equal to 92% as shown in the following chart.



Report of customers' satisfaction towards the product quality found that 98% of customers perceive that Sabina brand products have better quality than other brands on sale in the market because Sabina regularly launches new innovative products to the market.

Report of customers' satisfaction towards the services of salespersons found that the level of customers' satisfaction was High (yellow) and Very High (Green) equal to 85% as shown in the following chart.



Even though the customers' satisfaction level towards the services of salespersons in 2021 was High and Very High level, equivalent to 85%, it is still below the expected target; it shows a good improvement, however, from last year's survey result which was at 81%. The report also explains that there are some communication problems when providing the services. The company has analyzed that information to improve our customers' communication standard and the services standard of the salespersons which will, in turn, improve our overall services and achieve the targeted services satisfaction level later on.



#### 4. Business Partners Relationship Management.

##### Determination and Goals.

The company is determined to create a good relationship with our suppliers and our business partners in the following ways:

**Materials Suppliers:** the company determines to cooperate with our suppliers to develop the supplied materials to create more value for the products and production cost reduction through the exchanging of information, technology, products development and design for mutual benefits based on the trust between each other, valuing each other and long-term relationships by operating their businesses with transparency, equitability, and following the trading terms and conditions.

**Business Partners:** the company has sales booths via its business partners at 83% sales points. For online sales, 90% are published through our business partners' marketing platform. So, the company is aiming to develop good relationships with the business partners for mutual benefits and for business growth, especially online sales, based on the trust between each other, valuing each other and long-term relationships by operating our businesses with transparency, equitability, and following the trading terms and conditions.

##### Business Partners Relationship Management Guidelines.

The company stipulates the following operating guidelines:

1. Establish a policy for selecting business partners who operate in accordance with the law, safety standards, environmental laws, as well as a management of social issues regarding a respect of human rights, caring for employees, and labor.
2. Establish a Supplier's code of conduct on responsibility towards trade partners, taking into account the business integrity and maintaining the confidentiality or information of trading partners on the basis of ethics, equality, and mutual respect.
3. Jointly comply with the terms and conditions of the trade. In the event that this is not practicable, the Company will negotiate with the trade partners in advance in order to jointly find solutions and prevent damage.
4. Publicize the anti-corruption policy that is the practice of not requesting, receiving, or agreeing to receive property or any other benefits that are beyond the commercial terms, as well as disseminate the Company's rules and regulations for refraining from accepting gifts and entertainment during the New Year, and any other occasions for business partners to acknowledge and encourage them to join the anti-corruption network.

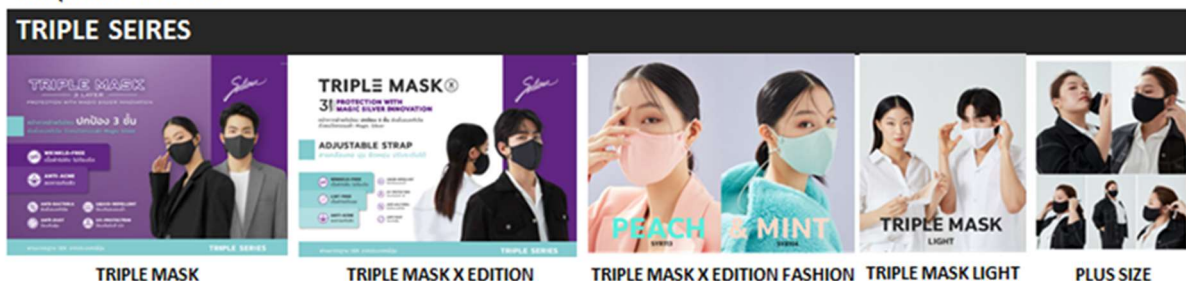
5. Publicize to trade partners the policy on social issues and respect for the human rights of the Company by issuing a letter to the business partners for their acknowledgement to strictly abide by the non-violations of human rights, not using forced labor including child labor.
6. Build good relationship and understanding between each other by exchanging knowledge, technology, development, and design of products to create product value.

Due to the COVID-19 epidemic situation, there was an opportunity to develop raw materials with trading partners in the development of fabric quality for the manufacture of cloth masks, beginning with the introduction of Aerosilver Innovation, which received SEK certification from Japan, to weave Magic Silver fabric. It has passed the test from Thailand Textile Institute (THIT) and can inhibit bacteria with coating to prevent aerosols and UV rays.



From the collaboration to develop Magic Silver fabric, which is coated with aerosol and UV light protection to help prevent and reduce the chance of spread of germs, the fabric mask product is Triple Mask that comes in various forms.

#### รวมรุ่นหน้ากากผ้าชั้นนำ



TRIPLE MASK 3 layers premium fabric mask is made from 3 types of fabrics:

**Outer layer fabric: SUPER PROTECTION LAYER MAGIC SILVER:** fiber fabric innovation that inhibits bacteria and coated with anti-aerosol and UV rays.

**Middle layer fabric:** EXTRA PROTECT LAYER increases the protection with COTTON WOVEN FABRIC, a fine natural fiber cotton fabric that protects against dust.

**Inner layer fabric:** PROTECT AND CARE LAYER: MAGIC SILVER fabric - innovation that inhibits bacteria causing acne and provides a soft and comfortable touch.

The overall features are as follows:

- ✓ ANTI-BACTERIA - inhibition of bacteria
- ✓ ANTI-DUST - dust protection
- ✓ ANTI-ACNE - inhibition of bacteria that cause acne.
- ✓ LIQUID-REPELLENT - protection against aerosols
- ✓ ANTI-ODOR - prevention from musty odors
- ✓ UV PROTECTION - protection against UV rays
- ✓ WRINKLE FREE - the fabric doesn't get wrinkled, ironing is not required.
- ✓ LINT FREE - lint-free fabric
- ✓ SOFT & COMFORT - comfortable to wear
- ✓ QUICK DRY - quick drying
- ✓ D-CURVE - fitting with every face shape, adjustable frame to the nose shape



#### Business Partners Relationship Management Performance.

The following is the performance of the business partners' relationships management:

1. The company has cooperated with our business partners to develop a new product series called Seamless Fit with smooth touch, no pressure pain, and reduced stitching with Weaving and Bonding technology. This product series gained a lot of market value for the company.

2. The company has cooperated with our business partners to develop the Magic Silver clothes used to produce the Triple Mask, the face masks used to protect against Covid-19 and reduce the exposure risk to the PM2.5.

3. We group our business partners by types of materials supplied such as clothes, lace and accessories and rank them according to the trade value between each other to analyze and evaluate the risk of relying on a small number of partners. As a result, there was no problem of materials shortage in the past year.

4. Business partners are assessed by checking the material supplied every 6 months and reporting their acknowledgements. They must cooperate with the company to improve and develop the material supplied to achieve the quality standard of clothes and lace as the major materials which were targeted at 95%.

Year	2018	2019	2020	2021
Raw materials quality standard (%)	90.8%	94.4%	95.2%	96.7%

5. Monitoring the business partners' compliance to the business policy regarding the anti-corruption, social and environmental aspects as well as the respect to human rights. It was found that there is no violation or any problem on such matters.

The company has set up the guidelines for working with the business partners as follows:

1. Meeting with the business partners to make clear the policy, regulations and business partners' operating planning to set up the marketing planning to be aligned with each other.
2. To follow the trading terms and conditions which have been agreed upon. In case of being unable to do so, the company shall discuss with the business partners in advance to jointly solve the problem and avoid any damage.
3. Commitment to working with the business partners by considering the business integrity and maintaining confidential information of the business partners based on ethics, equitability and respect to each other.
4. Promoting the anti-corruption policy that the company shall not request, receive or agree to receive any asset or benefit apart from that mentioned in the trade agreement as well as publicizing the company's procedures to refrain from receiving any gift and entertainment during the New Year's

festival and other occasions for business partners' acknowledgement and to convince the business partners to join the anti-corruption network.

5. To build relationships, cooperation, good understanding to each other and long-term relationships.

#### Business Partners Relationships Management Performance

Sales Volume in 2021	Business Partners	Marketing Platform
	1,804,708,194	838,958,789

\*\*\* From Business Partners Relationships Management, it helped achieve the operations performance as targeted.

Furthermore, the company, as Thailand's biggest manufacturer and distributor of the lingerie "Sabina" brand, determines for the business growing steadily and sustainably has realized the burden of lingerie garbage which is increasing every year. The customers may not know how to dispose of unwanted lingerie without creating environmental pollution. This complies with the company's vision that is *"focusing on sustainable business operation covering environmental, social and good corporate governance aspects."* So, the company launched a project called **"New Life BRA CYCLE"** on December 24, 2021. Sabina has coordinated with a business partner, INSEE Ecocycle Co., Ltd., a subsidiary of Siam City Cement Co., Ltd. and Kerry Express (Thailand) (Public) Co., Ltd., who realizes the importance of this project that will help society and the environment. This project will stimulate the customers' understanding and develop new behavior in disposing of the unwanted lingerie properly. It also convinces the customers to dispose of their unwanted lingerie of any design, any condition, any brands – both male and female lingerie – through the following channels:

- In the lingerie drop box at Sabina's offices, factories, shops and participating Sabina sales counters.
- At Kerry Counters. Customers can drop their unwanted lingerie at every Kerry Counter and Kerry Express Parcel Shop nationwide. Customers only need to identify the project name **"New Life BRA CYCLE"** then all unwanted lingerie will be delivered to the destruction site **free of charge**.

Kerry will deliver all unwanted lingerie to INSEE Ecocycle Co., Ltd., the waste destruction service and industrial service provider, to bring those unwanted lingerie for proper destruction by closed incineration system without causing any pollution harmful to the environment. Furthermore, the incinerated lingerie will be converted into substituted useable heat in the cement manufacturing process. This is clean energy to substitute the existing energy and help reduce the use of energy generated from natural resources like coal as well.



### The processes of Energy Recovery from lingerie

- Energy Recovery can be made by processing through waste analysis at the laboratory, pre-processing by segregating and shredding into small pieces.
- There will be quality control until it becomes alternative solid fuel to be co-processed with the primary fuel in the cement kiln at a temperature above 1,800 degrees Celsius in a closed system. This is an efficient method that leaves no waste or ash going to landfill (Zero Waste to Landfill). All unwanted lingerie will be converted into substitute energy for coal as the primary fuel in cement production. This will allow the rotation of resources sustainably.
- All processes will be monitored and tracked for strict control through the closed system with no harmful pollution. So, this can be said that unwanted lingerie turns out to be clean energy which reduces environmental pollution completely.



The incinerating factory is installed with an RFID tracking system to track all transportation and the security forces to strictly control all working processes within the factory.

*One ton of disposed bras.*

- To be converted to the Energy Recovery at about 9,600 megajoules
- To substitute around 400 kilograms of coal as the primary fuel to produce cement.
- To reduce about 700 kilograms of carbon dioxide which is the major greenhouse gas.

*Equivalent to*

- The amount of greenhouse gas emission caused from 30 of 200 kilograms garbage to landfills.
- The amount of greenhouse gas emission caused by driving more than 2,700 kilometers (1,700 miles) for a round-trip between Bangkok and Kula Lumpur, Malaysia.

\*\* Reference: Greenhouse Gas Equivalencies Calculator/U.S. Environmental Protection Agency | US EPA



Apart from disposing of unwanted lingerie to help reduce environmental pollution and reduce the utilization of natural resources, Sabina continues to promote this project by encouraging its customers to make merit from disposing of their unwanted lingerie. Every time the customers drop off their unwanted lingerie, Sabina will donate 1 piece of Sabina lingerie to any foundation or organization which requires lingerie, such as the Rachawadee Home for Persons with Disabilities Protection and Development (for Girls) at Nonthaburi. So, disposing of lingerie is not only an activity that helps maintain environmental sustainability, but it convinces people to give away and give back to society as well.



## 5. The responsibility towards Environmental, Social and Governance (ESG)

The Company has a policy to business operations alongside the ESG (Environmental, Social, Governance) to manage the performance that has a negative impact on the environment In terms of energy consumption Pollution or waste management Reduce climate change impacts and for sustainable development in line with Sustainable Development Goals. to meet the needs of today's demands by not diminishing the potential of future generations in sustaining their own needs. This is based on the 17-goal global development framework.



In the meantime, the Company sets up the framework of Sabina ESG Responsibility as follows:





## Environmental Management

### Energy Management

#### The determination and goals.

Today, the world is facing with an energy crisis and the acquisition of energy can affect global warming and the environment, causing the cost of each type of energy continues to rise. Sabina PCL. realizes the importance of energy consumption in production and strives to reduce and control the use of energy for the maximum benefit. Its objective is to use EVAP renewable energy and operate energy conservation by using efficient tools and equipment, while raising the awareness of employees to use electric energy economically and efficiently through various activities and reduce energy waste by preventing, inspecting, and maintaining electrical appliances to minimize leakage and prevent energy loss, following the paradigm. “Sustainable Development Goals” (SDGs) in item 7.

The company has set a 5-year target to reduce electricity utilization by 33%. In 2019, the electricity utilization was at 5,798,536 kW and it must be reduced to 3,885,019 kW by 2023.

#### Operating Target in 2021

- Reduce electricity consumption by 10%

#### Electricity Utilization Reduction Guidelines.

The company has a factory that installs a transformer of 1,000 kilowatts or more, namely Phutthamonthon Sai 5 Factory and Yasothon Factory which have been registered with the Department of Alternative Energy Development and Efficiency. Also, it has a person responsible for energy conservation under the Energy Conservation Promotion Act 1992, operating under the legal requirements properly.



Phutthamonthon Sai 5 Factory with 633 employees

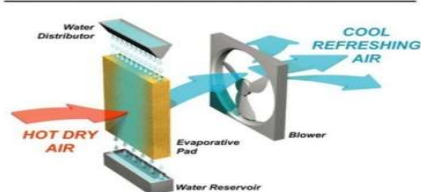


Yasothon Factory with 971 employees

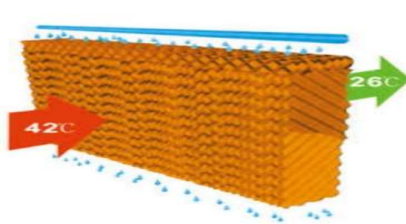
Since the use of air conditioners with a very high electrical energy consumption as well as the refrigerants in air conditioners that have an impact on the environment, causing the earth's atmosphere or the

greenhouse effect (Greenhouse Effect), the Company has studied EVAPORATIVE COOLING SYSTEM (EVAP) ventilation system and changed the air conditioning system to EVAP. This can reduce the temperature by 3-10 degrees Celsius from the outside temperature, following the principle of using a fan to exhaust air through the honeycomb panel that has a water flow system, which makes the passing air cooler to consume only 10% of energy when compared with general air conditioning systems and can prevent dust and germs from circulating inside as well.

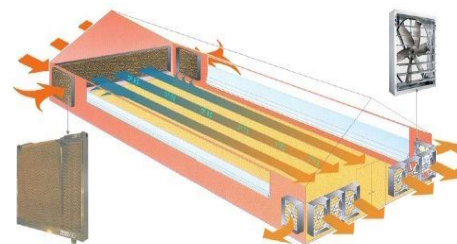
**How EVAPORATIVE COOLING works**



EVAP working principle



Honeycomb panels made of wood pulp



Air Flow

From the suitability survey of every Sabina factory, the Chainat Factory and Yasothon Factory were suitable to install the EVAP system because both factories are in an open area with air flow. The EVAP was installed at Chainat Factory in 2008 and at Yasothon Factory in 2009 (this is to support SDG no. 7 in regard to the Affordable and Clean Energy).

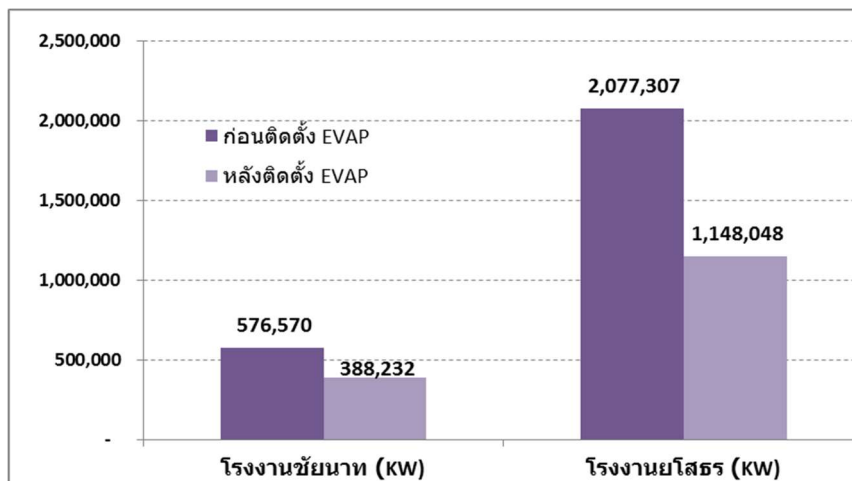


Chainat Factory



Yasothon Factory

As a result, the Chainat and Yasothon factory could reduce electrical energy at the combined amount of 1,117,597 kW / year, with a 33% decrease in electricity consumption (Chainat factory) and 45% (Yasothon factory).



Note: Information disclosed under GRI 302-4 framework on Reducing energy consumption.

In addition, the Yasothon factory has expanded the EVAP system to replace the air conditioners in all 5 working rooms of the factory, namely AQL. Division, Production Manager 1, Production Manager 3, Production Manager 4, and Production Mechanic 1, which then continued to expand to Buriram factory.

In order to reduce the use of electric energy, the Company also performs modifications to the electrical equipment to achieve better efficiency as follows:

1. Changing industrial machine motor from Clutch Motor to Servo Motor which can control speed, and torque without the motor working all the time when the switch is on, unlike Clutch Motor which runs all the time when the switch is turned on. The company changed the servo motor during 2013-2014, resulting in the electricity cost since 2015, decreased by almost 2 million baht / year. The Company has replaced the servo motor with a total of 1,688 motors.



Factory	Sai 5	Tha Phra	Chainat	Buriram	Yasothon	Total
No. of motors changed	457	228	365	160	478	1,688

2. Changing from fluorescent light tube 36W to the LED light tube 18W. The LED tube consumes less electricity than the traditional fluorescent tube 36W. The company had been changing all fluorescent tubes one by one until completing all 7,837 tubes in all factories in 2018. These LED tubes can help reduce the electricity consumption by 50% when compared with fluorescent tubes.

(A fluorescent light tube 36W vs a LED light tube 18W, the electricity consumptions are at 58,388 and 28,892 kW/month respectively).

Factory	No. of bulbs	Fluorescent 36W	LED 18W	Difference (KW.)	Account for the reduction of electricity use
Yasothon	2,302	17,150	8,486	8,664	50.51%
Chainat	813	6,057	2,997	3,060	
Buriram	289	2,153	1,065	1,088	
Sai 5	2,633	19,617	9,707	9,910	
Tha Phra	1,800	13,410	6,636	6,774	
<b>Total</b>	<b>7,837</b>	<b>58,388</b>	<b>28,892</b>	<b>29,496</b>	

3. To change the air-conditioning system at Tar Pra Factory to be the Air Chiller system and the air-conditioning system of the Phutthamonthon Sai 5 Factory is changed to the VRF (variable refrigerant flow) system. The VRF technology will control the amount of refrigerant directly which help more consistency in the temperature control and saves energy when compares to other air-conditioning systems. So, this activity helps save energy by 12%.

	Aircondition 30,000 BTU	VRF Aircondition	Difference	%
Electrical power / month Kilowatt	51,000	44,880	6,120	12%

Note: Information disclosed under GRI 302-4 framework of reducing energy consumption.

4. Changing the air conditioner to the new air conditioners with fiber-saving 5 in all 5 factories. Total 57 units have been changed. The electricity can be reduced at 2,508 KW / month, accounting for 8.7%.

Factory	Sai 5	Tha Phra	Chainat	Buriram	Yasothon	Total
Number changed	32	10	11	2	2	57
reduced electricity consumption/month (KW)	1,408 KW	440 KW	484 KW	88 KW	88 KW	2,508 KW

Note: Information disclosed under GRI 302-4 framework of reducing energy

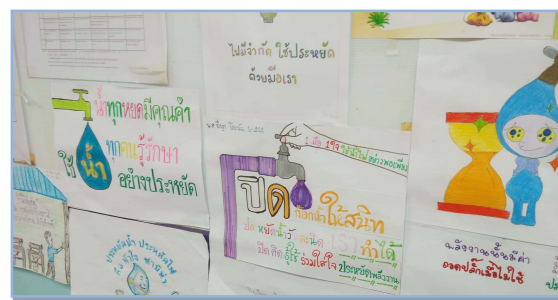
5. To change the piston air compressor to be the screw air compressor inverter which helps the consistency of the air pressure and help save energy by 30–35%.



The company also implements many activities to save energy, such as **locking the button on the air conditioner remote** at a temperature of 25 degrees Celsius. The users can turn on the air conditioner but cannot adjust the temperature. **Every department will have separate electricity meters** to analyze and plan for energy saving and the valuable utilization of energy.

In addition, there is a preventive maintenance to maintain machinery and equipment to be ready for use and prevent damage, especially energy-intensive machinery, and equipment. Preventive maintenance is implemented in the form of e.g., annual work plan for the maintenance of air conditioners and air conditioning systems to reduce energy losses.

Furthermore, it is equally important to raise awareness of energy conservation among employees in the organization by promoting and educating employees, including organizing various activities to campaign and raise awareness about energy and water saving, such as water reduction projects, using electricity from the organization to the house, a drawing contest on energy conservation, and a slogan contest on energy conservation, etc.



In energy management, the company is considering the impact on global warming and the environment from excessive use of energy. The company, hereby, sent our employees to attend the Carbon Footprint for Organization Training on December 2, 2021.



#### Results of the Energy Saving Campaign.

From the company's operations and various energy measures, every factory can achieve their energy saving targets by 10% on average which is more than the target at 12%.

Factory	2019 (kW)	2020 (kW)	2021 (kW)	Reduced by
Sai 5	3,009,180	2,333,380	2,008,723	-11%
Tar Pra	608,244	438,217	389,505	-11%
Chainat	358,336	302,072	269,056	-3%
Yasothon	1,009,574	788,259	764,910	-28%
Buriram	188,415	156,709	112,603	-14%
Office	624,787	524,222	452,324	-11%
<b>Total</b>	<b>5,798,536</b>	<b>4,542,859</b>	<b>3,997,121</b>	<b>-12%</b>

Remarks: the information has been disclosed by the GRI 302-1 framework regarding energy utilization in the organization.

The above results show that the electricity consumption in 2021 was 3,997,121 kW which decreased from 2019 by 31% if compared to the 5-year plan for electricity reduction which was targeted at 33%.



## Water Management

### Determination and Goals

Water is a vital resource in the world, but this vital resource is becoming increasingly scarce. The world's water consumption has more than twice the rate of population growth over the past century, and the ever-declining global water quality has resulted in the declining of people's health and ecosystems. Sabina realizes the importance of water as a valuable resource that must be conserved and used for the best benefit. Therefore, the Company is determined to **manage water consumption in the organization** as well as **supervising and managing the wastewater discharged from the factory** in order to minimize the impact on surrounding communities to a minimum. This is in accordance with the paradigm "Sustainable Development Goals – SDGs" in item 6.

The company has set up a 5-year plan for water consumption reduction by 15% in 2023. In 2019, the water consumption of the company was at 113,460 m<sup>3</sup> but must not be more than 96,411 m<sup>3</sup> in 2023.

### Operating Target in 2021

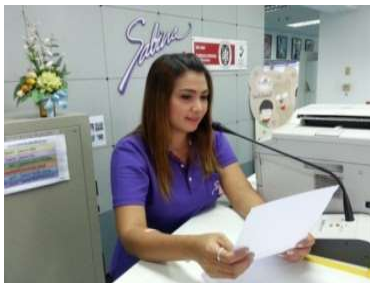
1. Reduce corporate water consumption by 3% compared to 2019.
2. Supervise the discharge of wastewater to meet legal benchmarks and not adversely affect the surrounding communities.

### Guidelines for Company's Water Consumption Reduction by 3%

The Company has campaigned to raise awareness of water use to be cost-effective and the best benefit of the company by disseminating information through channels, such as water conservation poster signage and internal radio speakers for employees to acknowledge and follow.



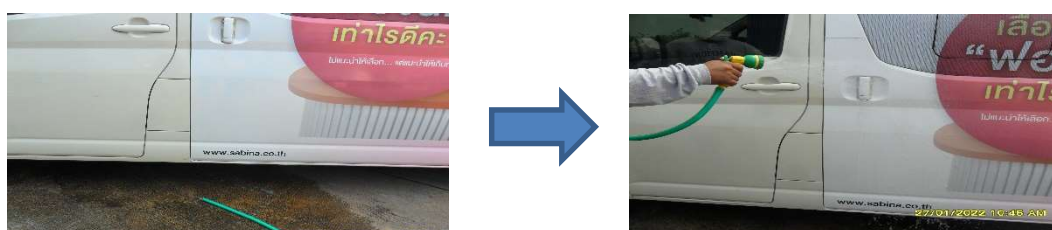
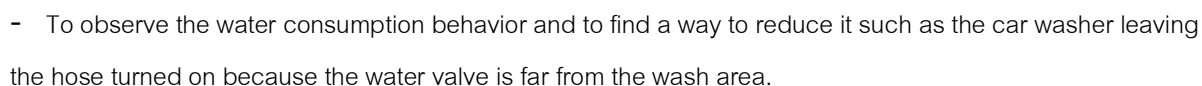
Publicity Board



Radio speaker

- And there is a PM (Preventive Maintenance) plan for the maintenance of annual utilities in order to prevent unnecessary water leakage and take actions according to the plan on a monthly basis.

- To repair the damaged sanitaryware and install water saving tools. This practice will be done in all factories and offices. Furthermore, the company has come up with an idea of water recycling (only the water for flushing) by recycling the drained water from the air chiller system (Tar Pra Factory) to use for flushing.





- To survey the damage risk to the pipeline to avoid breakage and to fix them properly. There are 15 damage risk spots of the water pipeline in the Yasothon factory.



#### Operating Performance in 2021: water consumption reduction by more than 3%

Factory	2019 (sqm.)	2020 (sqm.)	2021 (sqm.)	Comparison 2021:2020 Variant (%)
Sai 5	35,592	30,115	31,201	4%
Tar Pra	7,860	6,281	6,100	-3%
Chainat	9,312	8,087	7,152	-12%
Yasothon	51,408	46,237	51,082	10%
Buriram	2,808	2,276	2,119	-7%
Office	6,480	4,926	4,867	-1%
Total	113,460	97,922	102,521	5%
Average	9,455	8,160	8,543	

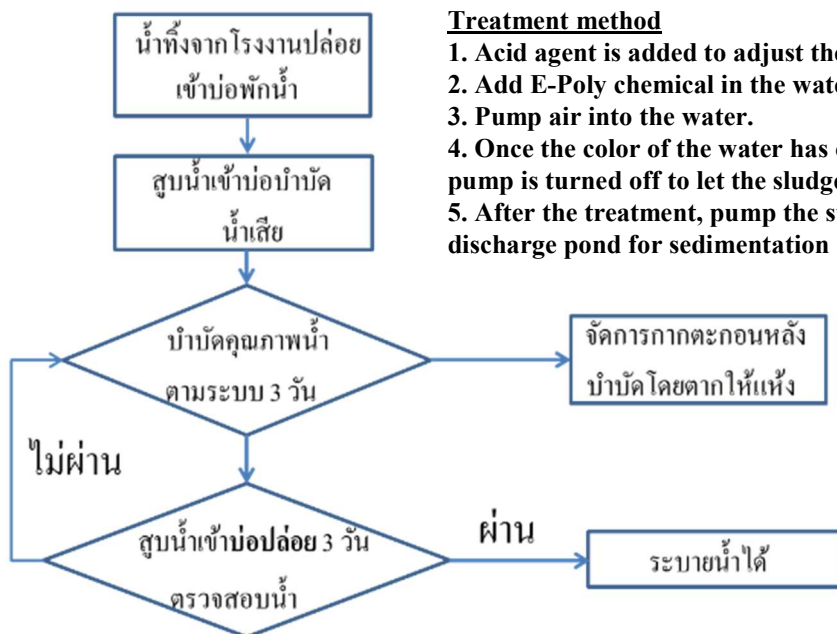
Remarks: the information disclosed by the GRI 303-5 framework in regard to the Quantity of Water Consumption.

Performance in 2021 did not meet the target of reducing water use. The Phutthamonthon Sai 5 factory increased by 4% due to frequent hand washing campaigns. To prevent the spread of covid 19 and Yasothon plant, an increase of 10% due to capacity expansion resulting in the use of drinking water Overall, an increase of 5% However, it will conduct a survey on water usage behavior of employees to find ways to improve and reduce water use.

#### Guidelines for effluent management

Sabina factory, Phutthamonthon Sai 5 Branch is the only factory that has a raw material dyeing process, with a ratio of dyeing sample and rubber / ribbon dyeing of 2.2% and rubber / ribbon 0.7% of total raw material content. The Company has implemented an efficient wastewater treatment procedure along with regular maintenance of the treatment system. This is also to ensure the efficiency of the treatment system and the effluent from the factory meets the standards required by law and does not have a negative impact on the environment and surrounding communities. The company has a certified external agency to inspect the

treatment system on a monthly basis. In this regard, the Company has implemented the water treatment procedure as follows:



**Disposal method**

Contact a waste disposal company to dispose the waste.

**Inspection method**

1. Daily inspection by the responsible person.
2. Monthly checks by an external registered agency.



Dye room



Resting tank



Treatment facility



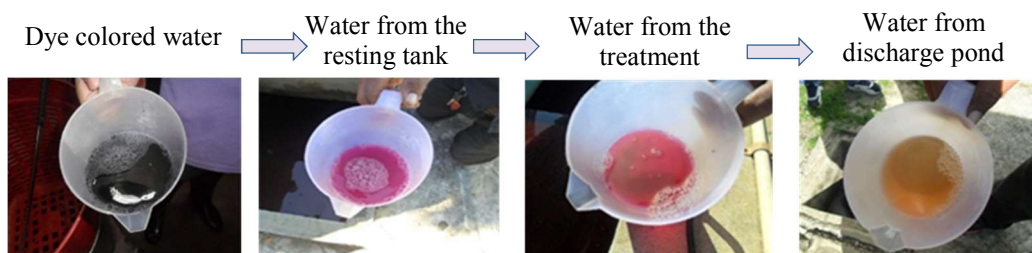
Recycle and reuse



Measuring pH value



Discharge pond



Note: Information is disclosed in accordance with GRI 303-2 Framework on the management of the impact of wastewater disposal.

However, the air pump is important in the water treatment process because the machine must be turned on to treat the water all the time until the stained water becomes clear or tea-like color. If the machine stops running, it will result in polluted water. So, a maintenance must be planned to maintain air pump to prevent problems that will arise according to the table below.

บริษัท ขาบีน่า จำกัด (มหาชน) / บริษัท ขาบีน่า ฟาร์อีสท์ จำกัด  
มาตรฐานการบำรุงรักษาเครื่องจักรชื่อ(เครื่องจักร)...ปั๊มลม....(CT-A)

หัวข้อ	รายการ	ทุกวัน	ทุกอาทิตย์	ทุกเดือน	ทุกปี
1	ตรวจสอบสภาพโดยทั่วไป	⊗			
2	ตรวจสอบเช็คหลอดไฟหน้าตู้ควบคุมเบรกเกอร์	⊗			
3	ตรวจสอบเช็คการทำงานของเครื่อง	⊗			
4	ตรวจสอบเช็คการรั่วของลมและอุปกรณ์	⊗			
5	ทดสอบวาล์วนิรภัย			△	
6	เติมน้ำมันน้ำทิ้ง			△	
7	ตรวจสอบสภาพสายพาน			△	
8	ปรับตั้งสายพาน			△	
9	เปลี่ยนสายพาน				△ ตามสภาพ
10	ตรวจสอบระดับน้ำมันปั๊มลม		⊗		
11	ทำความสะอาดตัวกรองอากาศ			⊗	
12	ตรวจสอบเช็คจุดต่อสายไฟ , อุปกรณ์			△	
13	เปลี่ยนกรองอากาศ				△ ตามสภาพ
14	เปลี่ยนถ่ายน้ำมันปั๊มลม			△ ทุก 6 เดือน	
15	ตรวจสอบเช็คมอเตอร์ทำความสะอาด			△	
16	ทำความสะอาดตัวเครื่อง		⊗		

To confirm that the efficiency of the treatment system and the effluent discharged from the factory complies with the law and does not have a negative impact on the environment and surrounding communities, the Company therefore allows C.E.M Technology (Thailand) Co., Ltd., which has been accredited a testing laboratory standard, to inspect the treatment system every month.



ใบรับรองมาตรฐานห้องปฏิบัติการ  
การทดสอบ  
ตามมาตรฐาน ISO/IEC  
17025

### Operating Performance in 2021: The Wastewater Administration

In 2021, Putthamonthon Sai 5 Factory has drained an average of 2,200 m<sup>3</sup> of wastewater per month, of which 5.5% of total wastewater came from dyeing, equivalent to 120 m<sup>3</sup>, per month (120,000 liters), and 94.5% was the wastewater from the consumption within the factory of around 2,080 m<sup>3</sup> per month (2,080,000 liters).

Remarks: the information is disclosed as per the GRI303-5 framework regarding water consumption and the GRI303-4 framework regarding water drainage.

The company has taken many measures to manage and treat the wastewater before releasing it from the factory and the result of testing residual chemicals from the company effluent samples is aligned with the standard regulated by laws each month.

Tested Item	Unit	*Standard	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
pH	-	5.5-9.0	8.7	8.7	9	8.9	8.6	8.5	8.5	8.5	7.5	8.4	8.6	8.9
Color (Normal)	ADMI	≤300	123	192	173	179	90	84	67	57	<10	58	27	59
Color (Adjust)	ADMI	≤300	121	182	182	171	91	84	65	62	<10	51	31	43
Total Suspended Solids (TSS)	mg/l	≤50	29	<20	21	Not Detectable	Not Detectable	Not Detectable	41	33	<20	Not Detectable	<20	<0.01
Biochemical Oxygen Demand (BOD)	mg/l	≤20	11	12	Not Detectable	Not Detectable	332	27	15	14	8	7	8	7
Chemical Oxygen Demand (COD)	mg/l	≤120	61	80	421	61	336	187	203	148	87	<20	68	43

\*The Announcement of the Ministry of Industry regarding the Identification of the Water Drainage Control from Factory B.E. 2560 (2017)

Some amounts are below standard but the company has corrected this by changing to a new water treatment chemical formula to correspond to the amount of dyeing chemical and increasing the no. of hours of injecting oxygen into the water from 20 hours to 22 hours per day to be aligned with the Water Drainage Control from Factory Announcement by the Ministry of Industry.

The company also conducted the community impact survey around the Tar Pra and Putthamonthon Sai 5 factories which are located close to the community (Yasothon and Chainat factories are located far from the community while Buriram factory is located inside the Mechai's Center at Nangrong which is the rented factory and has not been surveyed). The following are the 2021 survey results:

**Community Impact Survey in 2021 for Putthamonthon Sai 5 Factory.**

Impact Topics	Very much / correction immediately	Moderate / additional management	Less / control	No impact
<b>1. Drained Water</b>				
1.1 Water way/flow/drainage		11%	17%	72%
1.2 Physical status of the drained water (color/odor)			33%	67%
<b>2. Air</b>				
2.1 Released air/smoke treatment system			17%	83%
2.2 Physical status of released air/smoke (dust/odor)			17%	83%
2.3 Health impact			17%	83%
<b>3. Noise</b>				
3.1 Noise impact from work.			17%	83%
3.2 Noise impact from any activity.			17%	83%
<b>4. Garbage</b>				
4.1 Garbage management (garbage room/equipment)			17%	83%
4.2 Garbage from shops (odor/dirty on public areas)			17%	83%
4.3 Health impact			17%	83%
<b>5. Traffic</b>				
5.1 Parking lot management/street shops		11%	17%	72%
5.2 Impact from odor from exhausted pipe, noise			17%	83%

From the survey, it was found that the community has suffered from the physical wastewater (color/odor) but not 100% affected. The community also had an impact with the water drainage at a moderate level at 11% (affected in low level but not equivalent to 89% fully affected). The company, thereby, prepared the corrective action plan as follows:

Impact Topic	Corrective Action Plan
Water way/flow/drainage.	<ul style="list-style-type: none"> <li>- To set the risk indicator to prevent overflow.</li> <li>- To check any obstacle in the waterway and clear out the obstacle at the end of each month.</li> </ul>

There was no complaint about the wastewater drainage from the factory by the community since the Putthamonthon Sai 5 factory has been operating here from 1997 until today.



## Participating in Handling the Weather

### Determination and Goals.

Climate change affects global warming and the atmosphere which affects the natural resources and the living of the world's population. Climate change is occurring by natural and human-made causes. Sabina is determined to handle the air pollution caused by the sponge mold process and take actions to reduce the Greenhouse Gas emission from the company's operation. This will comply with the company's paradigm no. 13, the "Sustainable Development Goals" (SDGs).

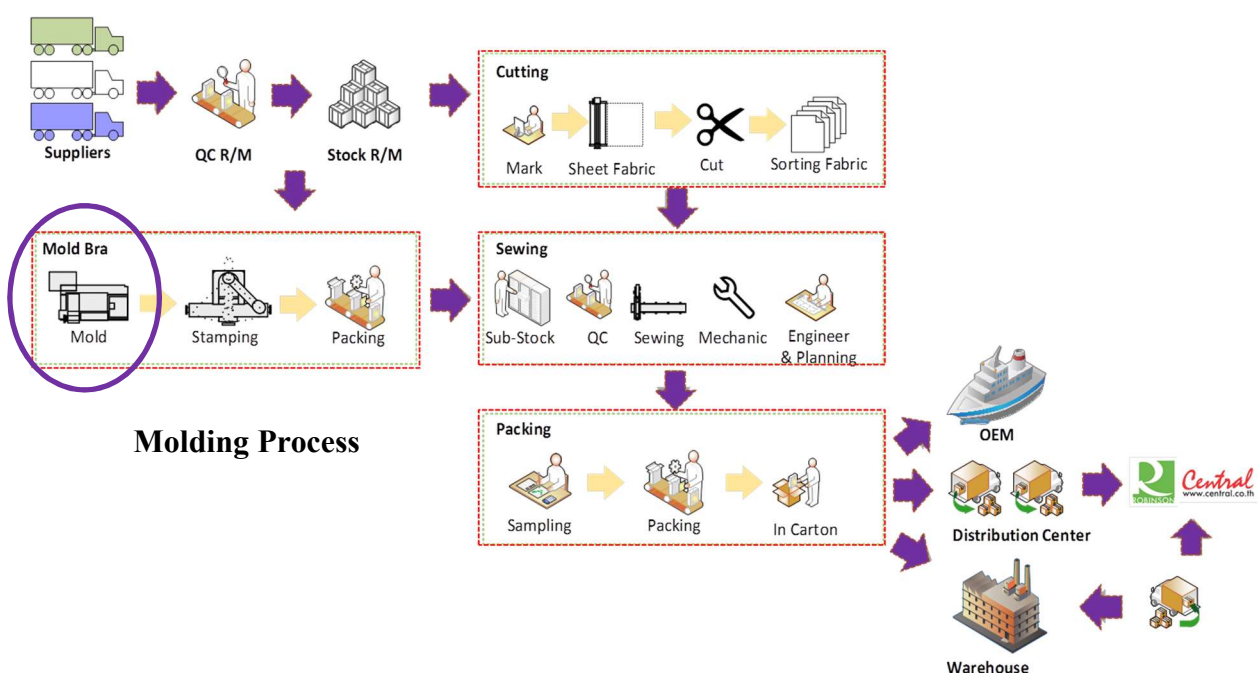
The greenhouse gas emission from the company's operation can be calculated from transportation operated by the company itself, meeting travelling and garbage dumping by the organization (see details in garbage management).

### Operating Target in 2021

1. To monitor the air pollution caused by the sponge mold process and the particle must not be more than 400 mg. per m<sup>3</sup> and the Toluene must not be more than 200 ppm.
2. To control the greenhouse gas emission from transportation at 5%.
3. To reduce the greenhouse gas emission from travel to meetings by 100% (all meetings will be made through the VDO conferences).

### Guidelines to Handle Air Pollution from the Sponge Mold Process

The molding process is a pre-suture process which is only done at the Sabina Phutthamonthon Sai 5 factory.



The molding process generates dust particles and toluene chemicals. Therefore, the air must be vented using an air intake pipe, then through an air treatment machine and released into the atmosphere, as follows:

1. The hood that sucks the air containing dust and chemicals from the molding machine.



2. The filter system with filters to filter dust and chemicals to meet the specified standards - To ensure the effective dust and chemical removal, the filters are washed monthly according to the set plan, and replaced every 2 years to achieve standardized filtration efficiency.



3. Ventilation chimney with a punching hole in the chimney to insert an instrument for measuring dust and chemicals in the treated air before releasing into the atmosphere



### Operation Performance in 2021 in Handling the Air Pollution from Sponge Mold Process

From the dust and chemical measurement in 2021, the dust and chemical value (toluene) passed the standard.

Measuring date	Measuring area	Measurement results of particulate matter not more than 400 mg per cubic meter.	Chemical measurement results (Toluene) not more than 200 ppm	Status
10 Nov 2021	Chimney MO-BW-01	2.18 mg per cubic meter.	0.15 ppm	Meet the standards
	Chimney MO-BW-02	2.11 mg per cubic meter.	0.21 ppm	Meet the standards
	Chimney MO-BW-03	2.96 mg per cubic meter.	0.25 ppm	Meet the standards
	Chimney MO-BW-04	3.11 mg per cubic meter.	1.21 ppm	Meet the standards
	Chimney MO-BW-05	2.86 mg per cubic meter.	0.66 ppm	Meet the standards

Since the Company controls air pollution from the molding process, there is no negative impact on the community and the environment, resulting in the Company having no complaints about the air being released to the outside since the Sabina Phutthamonthon Sai 5 factory has begun its operation in 1997 until now. There are no complaints from the Company's annual operational impact survey either.

### Guidelines to Control the Greenhouse Gas Emission by Company's Operations.

**Sales growth in the non-shop sales (NSR)** – non-shop sales through online sales, TV program sales and Catalog sales help reduce the transportation of products to the points of sales and return the inventories to the warehouse. The customers can browse the online shop website without travelling to the points of sales. The sales growth in this NSR channel supports the transportation reduction and reduces the customers' travelling which helps reduce the greenhouse gas emission. In 2021, the non-shop sales growth was 12% when compared to last year (if compared 2016:2021, sales growth is at 2,160%) which helps reduce unnecessary product transportation of 3,199,174 pieces and reduces customers' travelling to buy the products at 540,183 orders per time.

**Transportation** – the company has exercised many measures to reduce the greenhouse gas emission from transportation by changing the fuel used in our trucks from Diesel B7 to Diesel B10 which will help reduce the PM 2.5 because Diesel B10 has a higher proportion of bio-diesel and is more environmentally friendly. The company also maintains the good condition of our trucks and ready for use by the checking tire pressure and tread. This maintenance will affect 20% of fuel consumption of the total consumable fuel. The



company also trains our drivers for safety and save energy driving, speed limit, do not leave the machine turned on while parked, route planning, etc.



To reduce the transportation between Putthamonthon Sai 5 factory to Chainat, Yasothon and Buriram factories, every factory must coordinate with one another to deliver the materials and finished products effectively with a full-load basis which will reduce the number of transportations between each factory. Moreover, they must make route planning to transport products to every shop and vice versa by creating a communication system between the transportation unit and the salespersons (PC), so that the PC can notify the returned inventories into the system and the transportation unit can pick up those inventories to reduce the empty trucks on return trips.

**Meeting travel** - The Company reviews the needs and analyzes the travel details for the board meeting, including output, quality, human resources, and shipment in order to reduce the number of meetings and adjust the meetings to a video conference, which allows employees to reduce number of meeting travels. This result in the reducing greenhouse gas emissions. In this regard, the volume of diesel fuel 1 liter emits greenhouse gas (CO<sub>2</sub>) of 2.7446 kg.

Branch	Distance / cycle (km)	Round-trip distance (km)	Details of the meeting / time			
			No. of Vans / Cars	Kilometer / meeting / month	Oil amount (liters)	Greenhouse gas emissions (kgCO <sub>2</sub> e)
Output	1,058	2,116	7	2,220	240.55	660.21
Quality	1,058	2,116	6	2,168	233.94	642.07
HR.	1,058	2,116	5	2,116	227.33	623.93
Shipment	1,112	2,224	6	2,276	243.17	667.40

Below are the results of the necessary review and detailed analysis of every meeting and the reduction in number of meetings substituted by VDO conference.

Meeting agenda	2019	2020		2021
	Meeting trips	Meeting trips	Video conference	Video Conference
Output	12 times/year	2 times/year	8 times/year	12 times/year
Quality	6 times/year	2 times/year	3 times/year	-
HR.	12 times/year	2 times/year	9 times/year	12 times/year
Shipment	24 times/year	6 times/year	14 times/year	24 times/year

#### Performance in 2021: Reduction of Greenhouse Gas Emission by the Company's Operation.

Sales growth in non-shop sales (NSR) and transportation – the company has exercised many measures so that it can reduce the emission of greenhouse gas continuously. From 2019, the greenhouse gas emission by the company was calculated at 478.01 TonCO<sub>2</sub>e and has been reduced to 363.08 TonCO<sub>2</sub>e. This is equivalent to 114.93 TonCO<sub>2</sub>e or the reduction by 24%.

(1 liter of diesel fuel causes the greenhouse gas emission (CO<sub>2</sub>) of 2.7446 kg)

Type	2019			2020			2021		
	Distance (Km.)	Fuel quantity (liter)	Greenhouse gas emission (TonCO <sub>2</sub> e)	Distance (Km.)	Fuel quantity (liter)	Greenhouse gas emission (TonCO <sub>2</sub> e)	Distance (Km.)	Fuel quantity (liter)	Greenhouse gas emission (TonCO <sub>2</sub> e)
6-wheel Truck	356,395.00	55,367.91	151.96	285,325.00	35,047.03	96.19	290,487.00	37,977.86	104.23
Delivery Truck	785,546.00	66,836.31	183.44	633,482.00	59,867.70	164.31	636,534.00	52,087.60	142.96
Shop Trucks	585,571.00	51,959.95	142.61	542,822.00	44,135.41	121.13	467,444	42,222.76	115.88
<b>Total</b>	<b>1,727,512.00</b>	<b>174,164.17</b>	<b>478.01</b>	<b>1,461,629.00</b>	<b>139,050.14</b>	<b>381.63</b>	<b>1,394,465.00</b>	<b>132,288.22</b>	<b>363.08</b>
<b>Reduced by</b>						<b>20.16% per year</b>			<b>4.86% per year</b>

Remarks: the information is disclosed by GRI 305-2 framework regarding the greenhouse gas emission indirect energy, GRI 305-5 regarding the reduction of greenhouse gas emission or indirect greenhouse gas.

Meeting Travel – with many meeting reduction measures, it helps the greenhouse gas emission reduction by 100%. Therefore, 1 liter of diesel fuel causes a greenhouse gas emission (CO<sub>2</sub>) of 2.7446 kg

Meeting Agenda	Greenhouse gas emission/time (kgCO <sub>2</sub> e)	2019		2020		2021
		Travelling to the Meeting	Greenhouse gas emission (kgCO <sub>2</sub> e)	Travelling to the Meeting	Greenhouse gas emission (kgCO <sub>2</sub> e)	Travelling to the Meeting
Output	660.19	12 times/year	7,922.28	2 times/year	1,320.38	-
Quality	642.06	6 times/year	3,852.36	2 times/year	1,284.12	
HR	623.94	12 times/year	7,487.28	2 times/year	1,247.88	
Shipment	667.39	24 times/year	16,017.36	6 times/year	4,004.34	
Total	2,593.58		35,279.28		7,856.72	

Remarks: the information is disclosed by GRI 305-5 framework regarding the reduction of emission of greenhouse gas or indirect greenhouse gas.

#### Summary of the Reduction of the Greenhouse Gas Emission by Company's Operations.

From the company's determination to participate in greenhouse gas emission reduction, participating to limit the global temperature increase by 2 degrees Celsius through the non-shop sales, transportation, VDO conference meeting, and waste management (this supports the SDG no. 13 in regard to Climate Action, to cope with climate change), the company can reduce the greenhouse gas emission as per the following table:

	2019 (TonCO <sub>2</sub> e)	2020 (TonCO <sub>2</sub> e)	2021 (TonCO <sub>2</sub> e)	Variant (TonCO <sub>2</sub> e)
NSR Sales/Transportation	478.01	381.63	363.08	Reduced by 13.55
Travelling to the Meeting	35.28	7.86	-	Reduced by 7.86
Waste Management	249.38	141.41	121.07	Reduced by 20.34
<b>Total</b>	<b>762.67</b>	<b>530.90</b>	<b>484.15</b>	<b>Reduced by 46.75</b>

Remarks: the information is disclosed under the GRI 305-5 framework regarding the reduction of emission of greenhouse gas or indirect greenhouse gas.

So, in 2021, the greenhouse gas emission was 484.14 tons reduced by 9% or 46.75 tons from 2020.

If comparing 2019:2021, the greenhouse gas emission reduced by 278.52 tons or calculated at **36.52%**.

## Waste Management

### Determination and Goals

The company is determined to operate its business with the responsibilities to the environment so it emphasizes the waste management of both general waste and production waste without any negative impact to the environment and community as well as to support the Reuse Reduce Recycle campaign in all dimensions which will help reduce the greenhouse gas emission (GHG) and will lead to the Green Industry Management later on.

The company has set the 5-year plan of waste reduction by 50% in 2023. In 2019, the quantity of waste was at 517,771 kg which is to be reduced to 258,559 kg in 2023 as planned.

### Waste Management Target 2021

1. To reduce the general waste for landfill by at least 10%.
2. To convert waste into bio-fertilizer and liquid bio-fertilizer of at least 70 kg
3. To collect UHT milk boxes and donate to the Greenroof Project of not less than 70 kg
4. The production waste will be managed by the authorized waste management service provider at 100%.
5. To ensure all waste from the company's operation will not cause any effect to the community and environment.

### General Waste Management Guidelines.

To reduce the general waste, the company has launched a project called 3R (Reuse, Reduce and Recycle) which are described as follows:

- Reuse: promote to use 2 sides of A4 paper, reuse the cardboard boxes and plastic bags used in the working process.
- Reduce: to review all work processes to implement the paperless principle by reducing the unnecessary paper documents, all paper forms being reduced from A4 to A5 paper (half size of A4), using Google Form, communicating through e-mails instead of printed out correspondences.  
Furthermore, in the cafeteria, the company supports all food shops **to refrain from using** single-use containers to reduce the garbage of styrofoam containers, plastic cutlery or paper dishes.
- Recycle: this will be operated through three projects as follows:

**Bio-fertilizer and liquid bio-fertilizer project.** At Chainat factory, the operation began in October 2020, by mixing 3 kg of food scraps with 50 liters of water and 1 kg of brown sugar, in a fermentation bin, mix well, then close the lid and keep in the shade for about 10-15 days. Afterwards, it can be used as a fertilizer for vegetables and fruits.



Note: Information disclosed in accordance with GRI 306-2 on types of waste and disposal methods

**UHT milk boxes donation project.** It is for a donation to the Green roof Project. The donation was started in October 2020. Green roof is a project that supports the sustainable separation and storage of used beverage cartons by collecting boxes of consumed beverages to recycle into roof sheets for the Friends in Need (of “Pa”) Volunteer Foundation and the Thai Red Cross Society for giving to the needy communities.

Each factory makes a sorting point for milk cartons to make Green roof.



**Tha Phra factory**



**Sai 5 factory**



The roof size of 1 × 2.40 m uses approximately 2,000 beverage boxes.



**Yasothon factory**



**Buriram factory**



**Chainat factory**

### Jarg Dang Temple, Samutprakarn project.

Jarg Dang Temple was incorporated with PTT Global Chemical Co., Ltd. (GC) to operate the community waste management for the entire cycle and develop products from recycled materials to use to produce recycled monk's robes.



**1 monk's robes                      from 15 plastic bottles**  
**1 full set of monk's robes      from 60 plastic bottles**

The company combines its garbage sorting project with the Jarg Dang Project by installing the plastic bottle dropping points, collecting and cleaning all bottles and sorting them as bottles, caps, labels and straws for the Jarg Dang Temple to collect.



In 2021, the company donated plastic bottles for recycling to Jarg Dang Temple as follows:

Branch	Donated bottle (pcs.)
Head Office	6,489
Tar Pra	3,500
Sai 5	300
Yasothon	1,000
Chainat	300
Buriram	500
<b>Total</b>	<b>12,089</b>



In addition, all factory factory's campaign for waste sorting and organize appropriate trash cans for each type of waste, causing the reduced amount of general waste from the sorting of recycled waste.



Yasothon factory



Tha Phra factory



Chainat factory



Buriram factory



Sai 5 factory



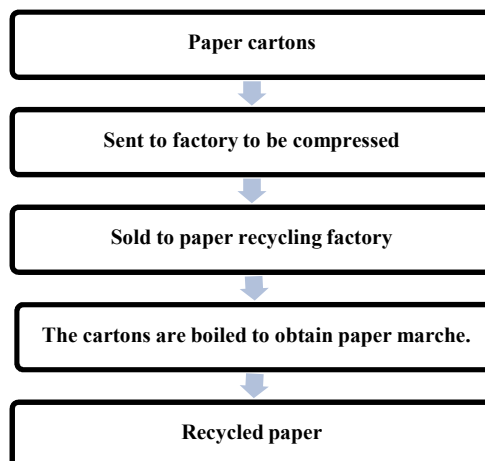
Head office

In addition, the area where trash bins are placed have been moved from the front of the factory, which is a public area, to the factory area with campaigning for the disposal of the waste of employees at the designated location. Also, the area in front of the factory is cleaned every day by the food vendors after lunch time. Most importantly, the Company procures a waste disposal contractor, with a license to take the solid waste to proceed with the proper disposal. The company conducts a survey on the negative impacts that the community has experienced from its operations and takes the issue from community complaints into the considerations to find improvements and solutions.

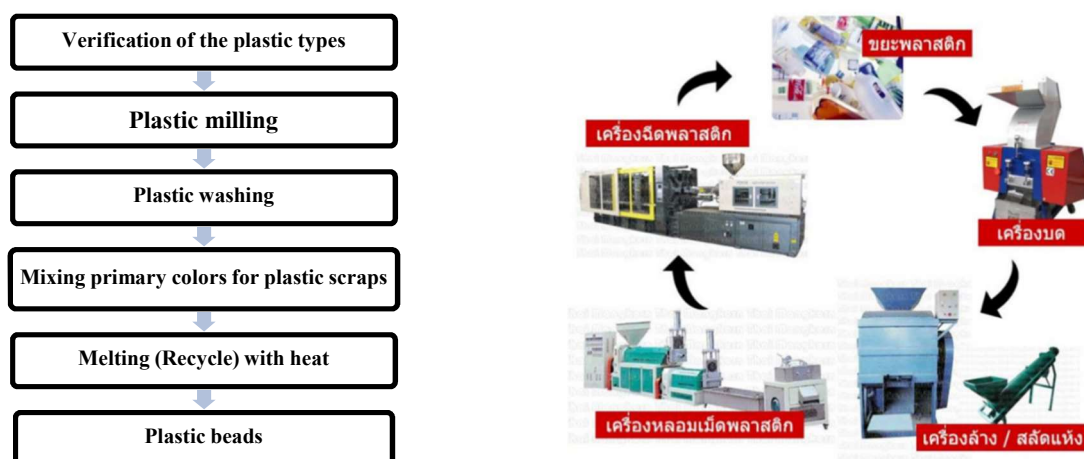
#### Production Waste Management Guidelines.

The company has implemented the Zero Waste program (details in responsibility for production) and proceeded to sort waste from the production process to facilitate waste management with reliable sources, and licensed waste disposers to bring paper boxes, bags, and plastics for recycling. While, the rags, rubber, threads, and bubbles are to be disposed properly.

The process of recycle the cartons from the operations after the recipient of the waste disposal



The process of recycling plastic bags from the operations after the recipient of the waste



Note: Information disclosed in accordance with GRI 306-2 on types of waste and disposal methods

#### Production Waste Management Performance in 2021.

From the waste management conducted by employees, the waste is reduced as shown in the table below. The company has hired the authorized waste management service provider to handle all waste (this supports the SDG no. 12: Responsible Consumption and Production). In 2021, waste management helped reduce the general waste by 14% (from the targeted 10%) which is reflected in the greenhouse gas emission reduction by 20,346 kgCO<sub>2</sub> (1 kg landfill waste produces carbon monoxide 0.842 kgCO<sub>2</sub>)



	2018	2019	2020	2021
General waste kg/year	517,771	296,170	167,947	143,783
Carbon Dioxide kgCO2	435,963	249,375	141,411	121,065
% Decreased compared to last year		43%	43%	14%

Remarks: the information is disclosed according to the GRI 306-2 framework regarding the types of waste and treatment methods.

The target of the 5-year plan for general waste reduction is 50% (2021:2023 comparison). If comparing the figures in 2021 to 2018, the general waste can be reduced by 72%.

The performance of the general waste recycle project are as follows:

The target of General Waste Reduction by Recycling	2021 Target (kg)	2020	2021
Project of Bio-fertilizer and liquid bio-fertilizer (grass, food waste).	70	88.5	89.7
Project of UHT milk containers donation to Greenroof Project.	70	55.2	75

Remarks: the information is disclosed under the GRI 306-2 framework in regard to the types of waste and treatment methods.

#### Performance of the production waste management in 2021

The production waste in 2021 is increasing due to production planning being back to normal after the setback caused by the Covid-19 pandemic. However, it is ensured that the company shall be responsible for all production waste by hiring an authorized production waste management service provider to handle 100% of production waste (this complies with the SDG no. 12 related to the Responsible Consumption and Production). The quantity of the production waste is as follows:

	2018	2019	2020	2021
Production waste (kg)	79,545	372,059	224,091	367,196

Remarks: the information is disclosed by the GRI 306-2 framework in regard to the types of waste and the treatment methods.

Furthermore, the company has conducted a community impact survey for the Tar Pra and Putthamonthon Sai 5 factories which are located nearby the community (Yasothon and Chainat factories are far away from the community and the Buriram factory is located in Mechai's Center at Nangrong which is the rented factory and there was no survey). The 2021 survey report results are presented in the following sections.

#### Tar Pra Factory Community Impact Survey 2021

ระดับผลกระทบ	มาก / แก้ไขด่วน	ปานกลาง / จัดการเพิ่ม	น้อย / ควบคุม	ไม่กระทบ
<b>1. น้ำทิ้ง</b>				
1.1. ทางเดิน/การไหล/การระบายของน้ำ			14%	86%
1.2 สภาพของน้ำที่ปล่อย (สี/กลิ่น)			29%	71%
<b>2. อากาศ</b>				
2.1 ระบบการจัดการปล่อย อากาศ/ควัน			14%	86%
2.2 สภาพของอากาศ/ควันที่ปล่อย (ฝุ่น/กลิ่น)			14%	86%
2.3 ผลกระทบต่อสุขภาพ			14%	86%
<b>3. เสียง</b>				
3.1 ผลกระทบทางเสียงจากการทำงาน			29%	71%
3.2 ผลกระทบทางเสียงจากการจัดกิจกรรมต่างๆ		14%	43%	43%
<b>4. ขยะมูลฝอย</b>				
4.1 ระบบการจัดการขยะมูลฝอย (สถานที่/อุปกรณ์จัดเก็บ)			14%	86%
4.2 สภาพของขยะจากร้านค้า (กลิ่น/พื้นที่สาธารณะสกปรก)			57%	43%
4.3 ผลกระทบต่อสุขภาพ			14%	86%
<b>5. การจราจร</b>				
5.1 การจัดการระบบการจราจร/แม่ค้าขายของ		29%	43%	29%
5.2 ผลกระทบจากกลิ่นไอเสีย/เสียง		14%	29%	57%

The survey report found that the community is impacted by the solid waste at least 14% and 86% have no impact at all. This has resulted from many waste management measurements of the Tar Pra Factory. The report also showed that the community is impacted by noise pollution at a moderate level at 10% (affected in low level but not equivalent to 90% fully affected), and the traffic impact is shown at 14% in the moderate level (affected in low level but not equivalent to 86% fully affected). Therefore, the company has come up with the corrective action plan as follows:

Impacted Topics	Corrective Action Plan
Noise pollution from organizing any activity.	<ul style="list-style-type: none"> <li>- To allow the overtime work at 21.00 hrs. only to avoid disturbing the surrounded community at nighttime.</li> <li>- To plan for any activity (especially with loud noise), time and specific time of such activity and inform the community 2 weeks in advance.</li> <li>- To control the noise level and the activity duration to not be longer than the specified plan.</li> <li>- Invite the community to participate in the activity and provide giveaways for them.</li> </ul>
Traffic problem from disorderly car parking of the employees and street shops.	<ul style="list-style-type: none"> <li>- To allocate some spaces in the factory to be used as the employees' parking.</li> <li>- To survey the nearby area to be used as the parking lot which will not cause any problem to the community and announce this to all employees.</li> <li>- To coordinate with all street shop owners in front of the factory that their shops must be installed inside the specific lines and must not cross over into the roads.</li> </ul>

## Putthamonthon Sai 5 Factory Community Impact Survey 2021

ระดับผลกระทบ	มาก / แก้ไขด่วน	ปานกลาง / จัดการเพิ่ม	น้อย / ควบคุม	ไม่กระทบ
<b>1. น้ำทิ้ง</b>				
1.1. ทางเดิน/การไหล/การระบายของน้ำ		17%	17%	67%
1.2. สภาพของน้ำที่ปล่อย (สี/กลิ่น)			33%	67%
<b>2. อากาศ</b>				
2.1 ระบบการจัดการปล่อย อากาศ/ควัน			17%	83%
2.2 สภาพของอากาศ/ควันที่ปล่อย (ฝุ่น/กลิ่น)			17%	83%
2.3 ผลกระทบต่อสุขภาพ			17%	83%
<b>3. เสียง</b>				
3.1 ผลกระทบทางเสียงจากการทำงาน			17%	83%
3.2 ผลกระทบทางเสียงจากการจัดกิจกรรมต่างๆ			17%	83%
<b>4. ขยะมูลฝอย</b>				
4.1 ระบบการจัดการขยะมูลฝอย (สถานที่อุปกรณ์จัดเก็บ)			17%	83%
4.2 สภาพของขยะจากร้านค้า (กลิ่น/พื้นที่สาธารณะสกปรก)			17%	83%
4.3 ผลกระทบต่อสุขภาพ			17%	83%
<b>5. การจราจร</b>				
5.1 การจัดการระบบการจราจร/แม่ค้าขายของ		17%	17%	67%
5.2 ผลกระทบจากกลิ่นไอเสีย/เสียง			17%	83%

The survey report found that the community is impacted by the solid waste at least 17% and 83% have no impact at all. This has resulted from many waste management measurements of the Putthamonthon Factory. The report also showed that the community is impacted by noise pollution in the moderate level at 11% (affected in low level but not equivalent to 89% fully affected). Therefore, the company has come up with the corrective action plan as follows:

Impacted Topics	Corrective Action Plans
Traffic problem from disorder car parking of the employees and street shops.	<ul style="list-style-type: none"> <li>- To improve the area beside the factory to be used as the parking lots and not allow the employees to park their cars on the roadside.</li> <li>- To organize a specific area in the factory for all street shops and not allow them to open their shops on the roadside in front of the factory.</li> </ul>

#### The Waste Management Performance paves the way to the Green Industry.

**Green Industry** refers to an **industry** that adheres to environmentally friendly operations for sustainable development, with a focus on the development and improvement of production processes and environmental management on a continuous basis, namely being socially responsible both inside and outside the organization throughout the supply chains.

**Level 1** Green commitment is to have communication in the organization to reduce environmental impact.

**Level 2** Green Operation is to conduct activities to reduce environmental impact.

**Level 3** Green system is a systematic environmental management, with continuous monitoring and evaluating for development.

**Level 4** Green Culture is that everyone in the organization cooperates in all aspects of the business until it becomes part of the corporate culture.

**Level 5** Green Network is a representation of the network expansion throughout the green supply chains by encouraging partners to enter the green industry networks.

In 2020: Green Industry Level 2 has been certified for all 5 factories.

Level	2019					2020				
	Tha Phra	Chainat	Yasothon	Sai 5	Buriram	Tha Phra	Chainat	Yasothon	Sai 5	Buriram
Certified level 2 GREEN INDUSTRY	✓	✓	✓			✓	✓	✓	✓	✓

## Green Industry Certificate



At present, the company has had preparatory studies to upgrade up to the level 3 of green industry.

Green system is a systematic environmental management, with monitoring and evaluating for continuous development.

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## Responsibility to the production

### Determination and Goals

The use of natural resources for production and consumption is the responsibility of everyone. Sabina is committed to responsible for the production to conserve natural resources for future generations. We use resources carefully by managing production waste and using various raw materials in the production process consciously, or reusing or recycling into other products based on the paradigm of “Sustainable Development Goals” (SDGs), item 12.

The company has set up a 5-year plan in regard to the responsibility towards the production. In 2025, the company is aiming to achieve targets in three aspects: Material Utilization ratio must be more than 97%, Reuse the product’s packaging at not less than 70%, and Recycle the production materials by 5%.

### Target in 2021

1. The material Utilization ratio must be more than 95%.
2. The returned product packaging for reuse must not be less than 70%.

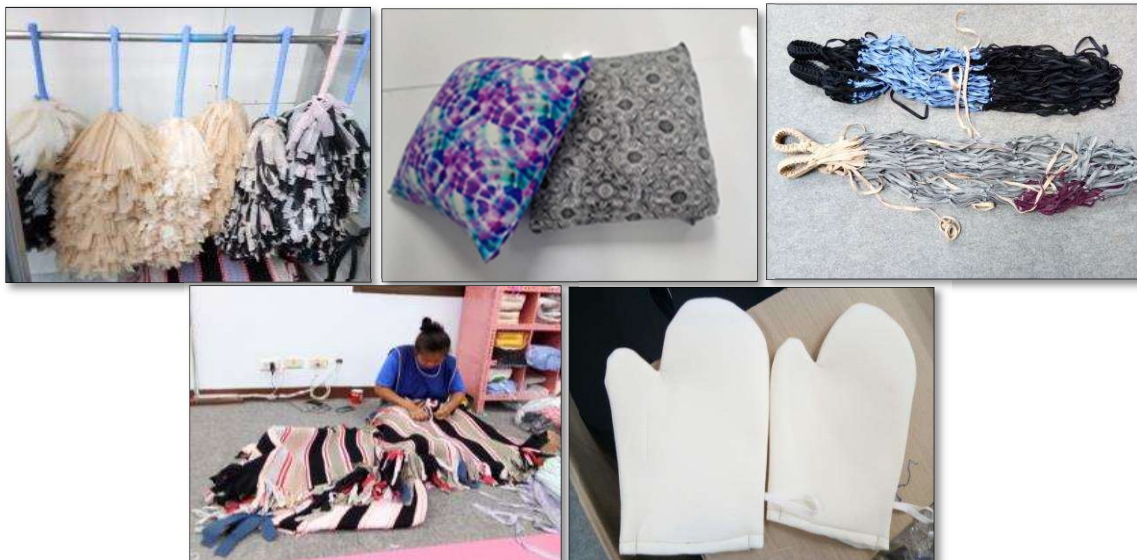
### The Guidelines for Production Responsible Management.

1. To merge the Cost Accounting Department, which calculates the material utilization, with the Purchasing Department, which purchases and procures the materials, to be the Consumption Controller Department. This merge will help for more efficiency in materials calculation and be able to adjust any required amount on a timely basis to reduce the waste as much as possible and to use the material or natural resources only as necessary.
2. To reuse the packaging with specific marks on them to show how many times that packaging has been reused. Every factory must record the amount of packaging received back and reused on a monthly basis for effective use of the natural resources according to the concept “**Doing more and Better with Less,**” and reuse the packaging to reduce the requisition of new packaging which will be reflected in reduction of the utilization of water and wood resources which supports the philosophy of using the natural resources effectively (this has complied with the SDG no. 12 related to the Responsible Consumption and Production).



- To study various kinds of recycled materials and design the products which support the utilization of recycled yarn, recycled polyester or recycled nylon. This new product is expected to be launched within 2022.

Moreover, the company is launching the Zero Waste project by recycling and processing the leftover production materials such as sponges, cloths, rubber, and hairy clothes, to be some housing products such as dust cleaners, pillows, cradles, rugs, and microwave gloves, and selling them to its employees at reasonable prices and donating the proceeds to the Mother Foundation Jintana Thanalongkorn for social benefits as educational scholarships.



In 2020, when Covid-19 was spreading, Sabina produced face masks from the leftover production materials and they were given away to all employees, while 284,108 face masks were donated for social benefits.



Therefore, in 2021, the Zero Waste project which processed the leftover production material and sold products to employees generated the sum of 32,380.- baht for the Mother Foundation Jintana Thanalongkorn as per the following details:

Dust cleaners	Rugs	Microwave gloves	Cradles
211 pieces	592 pieces	113 pieces	210 pieces
4,220.- baht	11,840.- baht	1,130.- baht	15,190.- baht
Total 32,380.- baht			

#### Performance of the Production Responsible

1. Merging of the Cost Accounting Department with Purchasing Department can help calculate the appropriate amount of required materials and the following table shows the amount of the major material used in the production:

Indicator	2020	2021
Amount of major materials – clothes used in the production (yards)	6,445,665	5,288,568

Remarks: the information is disclosed under the GRI 301-1 framework in regard to the Materials used by weight or volume.

2. Material Utilization ratio more than 95%.

Indicator	2020	2021
Material Utilization	93%	95%



3. The packaging returned for reuse is targeted at not less than 70%. In 2021, the ratio of reuse packaging is 74.9%.

Indicator	2019 Average/month	2020 Average/month	2021 Average/month
Quantity of packaging boxes delivered (pieces)	2,454	2,102	712
No. of packaging boxes returned for reuseable (pcs.)	1,250	1,543	533
Packaging boxes returned for reuseable (%) > 70%	49%	73.4%	74.9%

## Social Management



Mother Foundation Jintana Thanalongkorn

### Determination and Goals

The company realizes that youth is the important human capital for the future. So, the company is determined to provide education opportunities to good students who require financial support as well as those with physical disability or handicapped persons who are underprivileged in education. The company is aiming to support them for educational opportunities so that they will be able to use their knowledge to develop society and the country in the future. Firstly, the company has provided scholarships to employees and their children called "Adul-Jintana Thanalongkorn Scholarships." Later, the company realized the relationships between the company and the community, so the Mother Foundation Jintana Thanalongkorn was established on July 27, 2009, with the following objectives:

1. To support and enhance the educational activities.
2. To provide scholarships for underprivileged persons and/or good students who require financial support.
3. To be a non-profit organization.
4. To cooperate with other charitable organizations for social benefits.
5. To not get involved with any political activity in all cases.

The Mother Foundation Jintana Thanalongkorn has started to operate its activity by giving scholarships to many students from 2009 until today. In 2016, the Mother Foundation Jintana Thanalongkorn has been certified by the Finance Ministry as registered Charitable Organization No. 928, so that the foundation will be able to issue the official receipts for the sums donated which can be used as a taxation deduction for the donor.

#### Operation Target in 2021

1. To raise funds to support the foundation's activities of not less than 2,300,000 baht each year.
2. To support the educational activities of not less than 60% of the foundation's income each year.

#### Guideline for Raising Fund for Foundation Activities.

In 2021, the fundraising of the foundation has been affected by the Covid-19 situation. The revenue activities have been suspended, such as Family's Day, Mother's Day, Father's Day, fun fair and foods and goods selling, games and other activities. So, the foundation has changed its focus on fundraising to **encourage the employees to perform 5S at their homes** and clear out some unused stuff in good condition and still usable to the Im-Boon Room (at every factory) and resell them at a cheap price and donating the income to the foundation. The foundation also **emphasized promoting the foundation's operation** which is to provide educational opportunities to youths and underprivileged persons and to convince customers to donate to the foundation for this purpose. The donation can be made through the donation box at Sabina shops countrywide. In 2021, the sum donated was at 55,025.- baht.



Therefore, in 2021, the company is still supporting the Foundation's activities by donating the sum of 500,000.- baht to the Foundation.

## Guideline to Support Educational Activities.

To achieve the goal that 60% of the Foundation's revenue will be used to support educational activities, the company has set up the scholarships criteria, applicants' qualifications and promoted the activity to expand the opportunity to reach the applicants nationwide by the following channels:

1. Facebook Fanpage: JintanaMF.
2. Line OA: Sabina Thailand
3. The foundation to contact the educational institution directly.
4. [www.sangfans.com](http://www.sangfans.com), Facebook Fanpage: TCAS: Scholarship – Sangfans.com and other educational websites and internal advertisement. In 2021, there were many scholarship applications to consider.

Picture: Foundation's Scholarships Promotional Channels.



The guidelines for consideration of scholarships are divided into 3 types:

1. **Khun Mae Jintana Thanalongkorn Foundation Scholarship** - For general students from elementary and higher education levels, it is considered by the basic information of applicants who have been certified by the school staffs, with academic performance and article writing as specified by the Foundation.
2. **Khun Mae Jintana Thanalongkorn Foundation scholarship** – It is for school and university students with disabilities at Chai Nat Special Education School, Muang District, Chainat Province. The scholarship formats special education for people with disabilities and promotes careers based on physical abilities and limits. There is a lack of budget to hire teachers with professional skills for students with disabilities.
3. **Khun Mae Jintana Thanalongkorn Foundation scholarships** – It is for continuing education of school and university students from Mathayom 4 (Grade 11) to higher education, with support scholarships to the undergraduate level. Scholarship recipient's annual academic results must be within the specified criteria. In

addition, awards are given to students and the continuing scholarship students with a cumulative GPA of 3.50 or higher. While, those in the secondary school level receives an additional scholarship award of 2,000 baht / year. The Diploma / Bachelor's degree is awarded an additional of 5,000 baht / year to encourage students to be more determined and committed to their education.

Apart from granting the educational scholarships, in 2021, the Foundation has cooperated with Sabina (Public) Co., Ltd to donate 57,000 fabric face masks worth more than 2 million baht to more than 40 schools under the Department of Education, Bangkok Metropolitan Administration. To be a part of and to maintain and retain the human resources as the important resources of society and the country in the future as well as to support the 12<sup>th</sup> year of the Million Gifts Million Smiles project, the foundation has cooperated with Tiang Chirathivat Foundation in giving new and good quality clothes worth more than 245,000.- baht in total to the children in the southern border provinces to cheer them up and to let their smiles shine again.

Picture: Mother Foundation joined with Sabina (Public) Co., Ltd.

to donate fabric face masks. Mr. Aswin Kwanmuang, Governor of Bangkok, as the representative, received the donated goods.



#### Performance of Fund Raising to Support the Foundation's Activities.

The fundraising for the foundation is achieved at 97.3%, slightly below the target of 2,300,00.- baht.

Year	Sabina (Public) Co., Ltd.	Fund from other sources	Total
2019	500,000 (15.9%)	2,640,805 (84.1%)	3,140,805
2020	500,000 (16.3%)	2,571,828 (83.7%)	3,071,828
2021	500,000 (22.3%)	1,738,456 (77.7%)	2,238,456

### Performance of Supporting the Educational Activities

With the support from Sabina (Public) Co., Ltd. and Sabina Far East Co., Ltd. in the forms of **personnel, equipment, and other needed items as well as the volunteering by their employees**, the Foundation has achieved the target to support the educational activities with not less than 60% of the total revenue of the foundation.

Year	Foundation's revenues	Fund to support the educational activities	Percentage of funds used in educational activities
2019	3,140,805	2,149,570	68.4%
2020	3,071,828	3,611,200	117.6%
2021	2,238,456	3,438,460	153.6%

The company realizes the importance of equal education, equal opportunities and equality to all genders thoroughly, especially for the underprivileged persons, by giving scholarships from elementary schools to universities. Therefore, since the opening of this foundation, it has granted scholarships to 2,135 persons and 1 educational institute with a total value of 19,649,000.- baht. In 2021, the scholarships consideration for the handicapped persons has been postponed because many educational institutes for the handicapped have sent those handicapped persons back to their homes to prevent the risk from Covid-19 and, therefore, it is unable to coordinate easily.

Total scholarships during 2010-2021						
Year	Annual Scholarships	Continuing Scholarships	Scholarships for disability persons	Total No. of Scholarship	Good Students Scholarships (baht)	Total Scholarships Amount (baht)
2010	75	0	0	75		347,000
2011	63	8	48	119		746,000
2012	108	20	63	19		1,706,000
2013	105	31	65	201		1,911,000
2014	89	45	39	173		1,615,000
2015	195	42	54	291	46,000	2,685,000
2016	88	38	24	150	70,000	1,748,000
2017	130	38	26	194	77,000	2,089,000
2018	144	35	34	213	56,000	2,032,000
2019	170	32	34	236	62,000	1,984,000
2020	134	31	13	178	47,000	1,697,000
2021	88	26	-	114	53,000	1,089,000
<b>Total</b>	<b>1,389</b>	<b>346</b>	<b>400</b>	<b>2,135</b>	<b>411,000</b>	<b>19,649,000</b>

By granting the scholarships continuously, the Mother Foundation Jintana Thanalongkorn is so proud to be a part of the success of 25 scholars who have been granted the scholarships and graduated from many universities and become the important human capital for the future of the country (this has complied with SDG no. 4 in regard to Quality Education).

### 25 Scholars granted scholarships by the Mother Foundation Jintana Thanalongkorn



Name-Surname	Miss Umaporn Ponchai	Miss Supreeya Seripong	Miss Wanchareeporn Boontan	Miss Malinee Pulaiyao
Institution	Thonburi Rajabhat University	Buriram Rajabhat University	Maharakham University	Ubon Ratchathani Rajabhat University
Faculty	Business Administration	Education	Science / Microbiology	Librarian and Information Science
Graduation year	2016	2017	2017	2017
Current profession	Teacher at the Child Center, Yasothon Province	Teacher of Khok Kruad Phetchabun School	Freeland model	Irrigation project staff, Ubonratchatani



Name-Surname	Mr. Nattapon Srichan	Miss Busakorn Ontham	Miss Piyarat Thongkam	Mr. Tawatchai Nachaiploy
Institution	Chulalongkorn University	Bangkok Thonburi University	Mahamakut University Royal college	Suranaree University of Technology
Faculty	Faculty of Arts	Accounting	Education	Management technology
Graduation year	2018	2018	2019	2019
Current profession	Teacher in Tak Province	Bangkok Bank Officer (Nong Khaem)	Teacher of Nongyai School, Siriwattittaya School, Chonburi Province	Freelance model





Name-Surname	Mr. Nattapong Churat	Mr. Piyaway Sricha	Mr. Phala Chidpratum	Miss Sukanya Wiriyapong
Institution	Khon Kaen University	Khon Kaen University	Khon Kaen University	Kasetsart University
Faculty	Nursing Science	Agriculture	Science	General agriculture
Graduation year	2019	2019	2019	2019
Current profession	Professional Nurse at Yasothon Hospital	Staff analyzes plans and policies, Department of Land Development	Electronics company	Sasinan farm, Petchaburi province



Name-Surname	Miss Sirichan Kumbutr	Miss Wannipa Chanluang	Miss Areeya Sumniangdee	Miss Piyaporn Senathai
Institution	Ubon Ratchathani Rajabhat University	Roi Et Rajabhat University	Ubon Ratchathani Rajabhat University	Panyapiwat Institute of Management
Faculty	Bachelor of Education / Mathematics	Bachelor of Education / Thai Language	Bachelor of Arts / Thai Language	Business Administration
Graduation year	2020	2020	2020	2020
Current profession	Returning teacher of Yasothon Province	In between civil service exam	Employed teacher in Yasothon province	Manager of Seven-Eleven Store (Minburi)



Name-Surname	Miss Sucheera Prachonyut	Miss Janejira Ngamwong	Miss Nattaporn Hongharn	Miss Kullasatree Worayotha
Institution	Maharakham University	Mae Fah Luang University	Roi Et Rajabhat University	Nakhon Phanom University
Faculty	Education / English	Tourism management	Nursing	Nursing
Graduation year	2020	2020	2020	2020
Current profession	In between job application process	In between job application process	Professional Nurse, Thawatchaburi Hospital	Professional Nurse, Nakhon Phanom Hospital



Name	Wanwisa Oui	Kanokwan Pooteegar	Nattapol Chaimee	Soontaree Tiengpar
University	Roi Et Rajabhat U.	Roi Et Rajabhat U.	Srisakate Rajabhat U.	Buriram Rajabhat U.
Faculty	Faculty of Education - Mathematics	Faculty of Education - Mathematics	Faculty of Education - Mathematics	Faculty of Humanities and Social Sciences - English
Year of graduation	2021	2021	2021	2021
Current career	Teacher at Mor Sorn Look Tutor, Nongkai	Teacher at Yosawadee Nursing Home (Lerk Nog Tar)	Pending	Freelance Translator



Name	Nattaporn Sontikorn
University	Thepsatri Rajabhat U.
Faculty	Faculty of Education – Thai
Year of graduation	2021
Current career	Pending



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### “Sewing Cup Sewing Heart Fighting Cancer”

#### Determination and Goals

The Company, as a leader in the business of manufacturing and distributing women's underwear, has knowledge of the body of women at different ages, which is a crucial factor in the development of the Company's products. The Company also recognizes the difficulties and psychological conditions of breast cancer patients. Therefore, the Company wishes to be a part in helping, caring, and giving encouragement for women undergoing breast cancer treatment surgery to recover their strength and be able to happily return to a normal life.

#### Operating Target in 2021

The demand for the artificial cup is increasing, so the company is gathering volunteers to join the artificial cup sewing activity to donate at least 34,000 fill-up cups.

#### Operating Guidelines.

The Company has initiated the Sewing Cup Sewing Heart Project since 2007 onwards. The project is a **campaign to provide correct knowledge and understanding to society** about breast cancer and help the patients return to their regular routine life after healing with breast cancer treatment. The Company has **gathered volunteers to sew artificial breasts, with donation to breast cancer patients** who are treated with mastectomy, to help them rebalance the body back to normal, as well as to show concerns, and build morale and encouragement to patients. In this regard, the patients or relatives who wish to receive the artificial breast donation can contact the Company to obtain the artificial breasts donation through 3 channels:

1. Online channel via website <http://www.sabina.co.th/sewingcupsewingheart/>, and line@: @sabinathailand



2. Sabina Customer Service, Call Center at 02-422-9430
3. Sabina's point of sales nationwide

In 2021, the company has been operating the Sewing Cup Sewing Heart Fighting Cancer project for 15 years consecutively.



This project has been granted support from PTT Global Chemical (Public) Co., Ltd. for 3,600 kg of LLDPE very fine plastic without any harmful chemical to humans to be used as women's artificial cups and 1,875 yards of unbleached clothes from the upcycling process to be used as cloth bags to contain the artificial cup sewing sets.

Moreover, the company has realized and promoted the awareness of harmful breast cancer and invited our customers to participate in this activity through online channels. This year, the company is trying to gain more awareness from the teenagers and employees' groups and invite everyone to be volunteers of this project by releasing promotional video clips of the company through many social media channels such as Volunteers Hero video clip and sewing fill-up cup demonstration video clips. This demonstration video clip will be made in full detail for easily understanding of how to sew the fill-up cup so that they may sew it at home for more convenience without crowding in the same area during the Covid-19 pandemic.



Furthermore, this project has been supported by Central and Robinson department stores as **the point of distribution of the artificial cups sewing sets via 74 branches throughout the country**. To convince many sewing volunteers, special shelves for the artificial cups sewing sets have been set at Sabina sales counters and Information Counters of the stores. The sewing volunteers can easily notice and pick up the sewing set, sew it at home and return the finished artificial cups to the stores. A total of 31,410 artificial cups have been gathered from this project.



Apart from the artificial cup project Sabina has been doing for the past 15 years, there are some groups of persons who show their interest to support this project by requesting the artificial cup sewing sets to sew at their places and returned a total of 2,685 finished artificial cups to us as per the following table:

Unit	Activity period	No. of cups
GC Rayong	March 24, 2021	120
Hilton Hotels Group	March 30, 2021	160
Police Wives Association	April 2, 2021	100
Satriwit's Students	October 2021	30
Khun Mee	October 22, 2021	200
Viatis Co., Ltd.	October 22, 2021	1,000
Police Wives Association Suratthani	October 2021	100
Q&F Co., Ltd.	November 2021	300
Mahidol Wittayanusorn School's Students	December 4, 2021	675

### Operating Performance 2021

From the Volunteer Hero campaign, the support from Central and Robinson department stores as the distribution points of the artificial cup sewing sets and the support from groups of persons, the company produced and donated a total of 34,095 artificial cups as targeted.



Year	No. of artificial cups produced	No. of artificial cups donated	Percentage (%)
2018	15,200	15,200	100
2019	19,000	19,000	100
2020	23,000	23,000	100
2021	34,000	34,000	100

The company still hopes to create awareness and realize the harmfulness of “breast cancer,” the no. 1 illness in Thai women, as well as creating awareness in society about breast cancer which is close to home and being a part in cheering up all breast cancer patients by giving the artificial cups to them, and continuing this project forever.

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## Factory Model

### Determination and Goals

Operating a business, there must be facing both opportunities and threats. So, the company must always adapt and develop itself for business survival with steady and sustainable growth. Sustainable growth needs to be driven by capable persons. The company realizes employees' competency development as its priority by providing training, practices and allowing the employees' participation in managing, improving and applying the management tools continuously. The company is also aiming to be an organization of knowledge to share the organization development experiences to all interested persons, exchange opinions for better development and accept student trainees from many educational institutes according to their syllabus. Therefore, the company has launched some projects to distribute income to the community, such as the 5S project and the Zero Waste project to help solve the economic problems of the community.

### Target in 2021

1. At least 12 student trainees from many educational institutes.
2. Income distribution to the community through 5S and Zero Waste project of at least 120,000 baht per year.

### Guidelines for being a Learning Organization.

The company encourages each factory to improve and develop with various management tools and compare it with international standards through participating in award programs such as Thailand Lean Award, Thailand 5s Award and Thailand Kaizen Award with the Thai-Japan Technology Promotion Institute to help suggest improvements on areas that can be improved.

As a result of such action, there are organizations from the private sectors and government agencies to request visits to work in order to exchange experiences, improvement and further development in businesses or agencies.

### Establishments / entities that have visited the Company



Our strict measurements during the Covid-19 pandemic have made all of our factories free from being Covid-19 clusters, especially the Putthamonthon Sai 5 factory which is located in the highest risk zone (red zone). During the most critical period (June–July 2021), our factories operated as normal. Khun Bunchai Punturaumporn, CEO, was invited as the Guest Speaker for the online seminar on the topic: “Risk Management during the Covid-19 pandemic” organized by the Risk Management and Internal Control Club, Thai Registered Companies Association on August 20, 2021.

Moreover, the Putthamonthon Sai 5 factory welcomed a visiting group from the Thai Value Investment Association (Thailand), and the number of visitors to all factories during 2020–2021 are as follows:

	2018	2019	2020	2021
Sai 5	152	397	76	55
Tar Pra	2	16	-	-
Chainat	6	8	-	-
Yashotorn		51	70	-
Buriram	160	219	130	-
<b>Total</b>	<b>320</b>	<b>691</b>	<b>276</b>	<b>55</b>

The company has accepted student trainees from many educational institutes to complete their projects according to their syllabus. The company has assigned our officers to take care, advise and consult the student trainees during the whole training period, and the following table is the details of their projects in 2021:



Universities/Departments	Projects
Rajamangala University of Technology Rattanakosin, Industrial Engineer	Improving the process of quality inspection through sampling
Silpakorn University – Nakornpathom, Industrial Engineer	Improving the label and ribbon working units with Lean concept
King Mongkut's University of Technology Thonburi, Industrial Engineer	Reducing the time to change the production line of the lady lingerie
Thonburi University, Logistics	Finding the standard time in the Test Lab to set the benchmark.

**Performance of the Factory Model:** at least 12 student trainees in 2021.

Factory	2018	2019	2020	2021
Sai 5	14	6	18	10
Tar Pra	4	-	3	3
Chainat	6	6	8	1
Yasothon	-	6	5	1
Buriram	-	-	-	-
Office	13	11	6	1
<b>No. of students</b>	<b>37 persons</b>	<b>29 persons</b>	<b>40 persons</b>	<b>16 persons</b>

#### Guidelines for Income Distribution to the Community.

Sabina has introduced the 5S project that is practiced within the factory to expand the effect to employees' homes by asking the employees to practice 5S activities at home. The employees were encouraged to apply the 5S principle to their own home to clean up unused items in their homes and take before & after pictures. The unused items that are still in good condition and can still be utilized are donated to the Im-boon for selling to employees at cheap prices.



The items that are donated to the Im-boon room will be sold to employees and the income will be donated to Khunmae Jintana Foundation as a scholarship to the disadvantaged children. (Details in Corporate Social Responsibility)

Following the success of the activity of participating in the 5S at home, the Yasothon factory has expanded the 5S practices into the community by starting a campaign for employees to clean up things at their relatives' houses and presented the conceptual perspective on the value of the items obtained from the replacement of the new purchase, resulting in the relatives of the employees (in the surrounding area) to reuse the items from the cleaning. For sold to donate to the Im-Boon room.



In 2020, after inspecting the employees' house in Ban Nam Ploe, Yasothon province according to the 5S to Community Project, the company realized the economic problem of the community, at the same time the company was launching the Zero Waste project, This project is trying to help solve the community's problem on a Win-Win basis. The company gave the leftover materials from the production to employees and the community to re-produce as many new products such as dust cleaners, cradles, rugs, microwave gloves and clothes bags. Those products will be sold and revenue from sales will go to the Im-Boon Room. The company also helps the unemployed persons in the community by giving ribbon to them to re-produce as a bow to decorate bras so that they can earn some income. In 2021, this project has been expanded to Ban Dong Dorn in Chainat province.





Samples of the bow decorations the community is making for the company to earn income.



#### Factory Model Project Performance.

Being a part of solving community economic problems by generating income through the 5S project, Zero Waste project and bow decoration outsource.

Factory	2020	2021
Chainat	48,496	49,252
Yasothon	44,011	121,682
<b>Total revenue to community/prison</b>	<b>92,507 baht</b>	<b>170,934 baht</b>

## Safety, Occupational Health and Work Environment

### Determination and Goals

The Board of Directors has established policies and guidelines on safety and hygiene in the workplace. All employees are considered as significant resource of the Company. Therefore, Sabina is focused on managing safety, occupational health, and work environment by focusing on safety first, providing proper care for the working environment and ensure that employees are healthy as well as promoting lower rates of illness.

#### Goals of 2021

1. **Ensure safety at work**
  - Yasothon Factory: Zero Accident Statistics
  - Sai 5, Tha Phra, Chainat, Buriram factory factories: Reduce accidents that cause employees to be absent from work by 10%
2. **Ensure the right working environment**
  - Must pass the Annual environment test in terms of in light, sound, heat, and chemicals.
  - Must have an audit score of 5S > 75%
3. **Health care for employees**
  - 30% decrease in infirmary usage statistics.
  - 30% reduction in respiratory diseases.

### Guidelines to Manage Work Safety.

The Company ensures that there are safety officers at various levels, including supervisor, management, professional safety officers according to the ministerial regulations on setting standards for safety management, occupational health and working environment 2006 as follows:

Table of proportions of safety personnel at various levels of work

Factory	Security officer, supervisor level	Security officer, management level	Security officer, professional level
Sai 5	66	11	1
Tha Phra	29	3	1
Chainat	28	1	1
Buriram	10	4	1
Yasothon	50	8	1
<b>TOTAL</b>	<b>183</b>	<b>27</b>	<b>5</b>

Note: Information is disclosed in accordance with GRI 403-1 framework on Occupational Health and Safety Management System.

For safety in the work, the Company provides operating procedures and training of employees before starting to work in order to raise awareness and consciousness about safety operations to prevent accidents at work.



As well as procurement and installation of equipment to prevent hazards from machines, such as machine guards, glass protection from needle bouncing, and regular machines inspection, including emergency stop switches and equipment used in production.



In addition, the Company conducts risk assessments in every production process in order to find the hazardous point that may pose threats or may cause accidents and to make adjustments and improvements to prevent risks of accidents occurring to the employees.

Risk Assessment examples:

Department	Process / Step	Sources of danger	Danger	Control measurements
Materials Stock/Warehouse	Material transferring	Material trolley	Trolley hit the foot	Wearing safety boots
Sponge Mold Forming	Sponge mold sliding and chopper slides	Sponge mold slide machine and choppers slide machine	Noisy	Wearing earmuffs.
Cut	Cut the work	Hand-knife machine	Cut by the machine blade	Wearing protection gloves.
Sew	Sewing the work	A needle of the sewing machine.	Stab at fingers	Sharp objects protection.
Outsource (Security)	To direct the traffic	Vehicle	Hit by the vehicle	Wearing a reflective vest, lightening baton, flag
Outsource (Maids)	To clean toilets	Toilet area	Slippery	Wearing anti-slip boots.

Remarks: information is disclosed under the GRI 403-2 framework: Danger Identification, Risk Management and Incident Investigation.

The company has given priority to Fire Safety in the Workplace by providing adequate fire protection and firefighting equipment such as fire extinguishers, fire alarm systems, heat detectors and fire pumps with reserved water. All equipment and systems will be checked as planned; fire extinguisher training, and fire evacuation training must be operated annually. The number of employees who attend the Fire Prevention and Suppression Training must not be less than 40%.

Factory	No. Employees	No. Trained employees	Percentage (%)
Sai 5	633	288	45%
Tar Pra	290	182	63%
Chainat	405	295	73%
Buriram	356	153	43%
Yasothon	850	699	82%
Office	351	262	75%
Total	2,885	1,879	65%

Remarks: the information is disclosed under the GRI 403-5 framework in regard to the Occupational Health and Safety Operator Training.



Moreover, training the employees involved with chemicals at Sabina's Putthamonthon Sai 5 factory only.

Factory	No. of employees involved	No. of trained employees	Percentage
Sai 5	23	23	100%

Remarks: the information is disclosed under GRI 403-5 framework in regard to the Occupational Health and Safety Operator Training.

In addition, the Company organizes an annual electrical and building inspection by inspecting the power system, ground cable, lightning rod, and transformer as well as checking the strength of the building structure by a company that is licensed and legally registered.



In this regard, the Company encourages the monthly meeting of the Occupational Safety, Health and Environment Committee to report on the area inspection of the Security Officers, including any near misses and accidents (if any), as well as the investigation of the event to find the cause, prevention guidelines, and monitoring.

#### Guidelines in Maintaining the Working Environment.

The company conducts an annual inspection of the working environment related to risk factors, such as heat, light, sound, dust, and chemicals in the workplace by a licensed and registered company.



In addition, 5S has been used as a tool for organizing the working environment, which has the following principles:

- Sort : To have the necessary items at the required amount and time
- Set in Order : Easy to access, easy to store and easy to detect if lost.
- Shine : Check for abnormalities before damage.
- Standardize : Standardized throughout the organization, avoid variation.
- Sustain : To provide knowledge and understanding and to practice repeatedly following the rules and the area.

All factories have a committee to drive and carry out the plan by setting area standards, self-audit area inspections, Committee Audit, and Central Committee. This is to use the results of the inspection to prepare the area standard for improving the working environment.





As a result of the serious operation of 5S, the Sabina Group factory has received awards from THAILAND 5S AWARD from the Thai-Japan Institute of Technology Promotion as follows:

Factory	Year	Award
Tha Phra	2014	Silver award
Chainat	2014	Gold award
Sai 5	2015	Gold award
Yasothon	2015	Gold award

Note: Information is disclosed according to GRI 403-6, Employee Health Promotion



#### Guidelines in Taking Care of Employees' Health.

The Company has implemented the disease-free, safe, and happy workplace project. The project focuses on promoting health and supporting employees to have good health, reduce sickness and injury to ensure safety at work as well as promoting good mental health. The factory factories that have joined this project are Sai 5, Chainat and Yasothon, with senior executives announcing the policy to appoint a committee to plan, monitor, and review the results as follows:

factory	General and risk inspection
Sai 5	484 people
Tha Phra	219 people
Chainat	405 people
Buriram	156 people
Yasothon	760 people
Head Office	252 people
Total	2,276 people



The company provides annual health check-ups for all employees for general health and health checks according to risk factors.

Disease-Free	Safety	Healthy body and happy heart
<ul style="list-style-type: none"> <li>- Record health information.</li> <li>- Health check of all employees.</li> <li>- Training and education on health.</li> <li>- Drug reduction activities</li> <li>- Promote nutrition.</li> <li>- promote exercise.</li> </ul>	<ul style="list-style-type: none"> <li>- Record accident data.</li> <li>- Implement 5S at work and the buildings.</li> <li>- The machine has a guard.</li> <li>- Check the environment and electrical system as planned.</li> </ul>	<ul style="list-style-type: none"> <li>- Recreational activities.</li> <li>- Promote mental health with a rest corner.</li> <li>- Worker appreciation activities such as family activities.</li> </ul>

Note: Information is disclosed in accordance with GRI 403-4 framework on Occupational Health and Safety Counseling and Communication.

As a result of the continuous implementation of the disease-free, safe, and happy workplace project, the Sabina's Group factories have received awards from the Department of Health, Ministry of Public Health, as follows:

factory	Year	Award level
Chainat	2016	Gold
Sai 5	2016	Silver
Sai 5	2018	Gold
Yasothon	2018	Gold
Yasothon	2019	Gold



The company has operated the Safety, Occupational Health and Working Environment Management in compliance with the regulations of the Labor Ministry. The Yasothon and Buriram factories have been awarded the Gold Award in Safety Management.

Yasothon factory has concretely applied the principle of health promotion and illness prevention of the employees in the workplace place which consisted of 10 packages by the PM, Gen. Prayut Chan-o-cha and has been awarded the following:

- ✧ Excellent working place network in the health promotion and illness prevention of the employees in the working place pilot project which consisted of 10 packages by the PM, Gen. Prayut Chan-o-cha.
- ✧ Honor Shield for the working place that promotes the employees' health with 10 packages guidelines "Excellent in Zone level" by the Director-General, Department of Health.



#### Safety in Working Place Management Performance.

Yasothon factory has been able to maintain Zero Accident statistics for 8 consecutive years and received the Platinum Zero Accident Campaign Award from the Institute for the Promotion of Safety, Occupational Health and Work Environment.





Sai 5, Tha Phra, Chainat, Buriram Factories: At least 10% reduction in time-loss accidents

Table of accident records for general operation of affiliated factories

Factory	2019	2020	2021	% difference
Sai 5	18	5	9	80%
Tha Phra	5	2	0	-100%
Chainat	1	1	1	0%
Buriram	2	2	0	-100%

Note: Information disclosed in accordance with GRI 403-9 framework on Occupational injuries

In 2021, the overall number of accidents are unchanged and did not achieve the target to reduce the accidents by 10% because 5 accidents happened in the Sai 5 factory as per the following details:

Department	2020	2021	
Stock RM	1	-	Reduced to 0
QC RM	1	1	Unchanged
Mold	2	1	Reduced by 50%
Sew	1	1	Unchanged
Packing	-	1	Increased
Warehouse	-	5	Increased

The accidents which occurred in the warehouse and packing departments were due to the wrong working process and repeated works which caused tiredness and led to accidents. Even though they were not severe accidents, they made the total number of accidents increase and needed the corrective action plan:

### Working Environment Management Performance.

The results of heat, light, sound, and chemical examination showed that all 5 factories passed the standard.

Factory	Sai 5	Tha Phra	Chainat	Buriram	Yasothon
Inspection date	25/09/2021	1/12/2021	17/11/2021	26/03/2021	27/09/2021

From inspecting the 5S area of every factory, the Central Committee found that all 5 factories had scores of more than 75%.

Sai 5	Tha Phra	Chainat	Buriram	Yasothon
76%	76%	77%	77%	78%

### Employees' Health Management Performance.

From the target statistics that the use of the nursing room is to be reduced by 30%, while the actual achievement was 35%

Factory	2019	2020	2021	% Difference
Sai 5	3,361	2,686	1,638	-39%
Tha Phra	1,813	1,314	1,094	-17%
Chainat	4,015	2,570	1,680	-35%
Yasothon	4,513	4,257	3,920	-8%
Buriram	4,568	2,367	180	-92%
Total	18,270	13,194	8,512	-35%

The target statistics of diseases in the respiratory system group is to be decreased by 30%, while the actual achievement was 49%.

Factory	2019	2020	2021	% Difference
Sai 5	862	451	193	-57%
Tha Phra	409	269	105	-61%
Chainat	749	219	57	-74%
Yasothon	1,405	973	606	-38%
Buriram	211	131	80	-39%
Total	3,636	2,043	1,041	-49%

## Respecting Human Rights.

### Determination and Goals

Human rights are the fundamental rights and freedom all humans are entitled to and based on the human values which describe dignity, justice, equality, mutual respect and freedom regardless of race, gender, religion, skin color, age, education, language and point of view. Therefore, Sabina (Public) Co., Ltd. realizes the importance and emphasizes the human value of all employees in the company, and therefore the company has identified the objectives to support and promote the respect of basic human rights within the factories equitably with the focus of the **administration in 4 aspects** as follows:

**1<sup>st</sup> Aspect**      **Equitability without discrimination** in employing handicapped laborer and overseeing the proper working environment for those handicapped employees regardless of race, gender, religion, skin color, education, language and point of view.

\*\* The company has employed a total of 36 handicapped persons equivalent to 1.08% of total employees as of December 2021.



Factory/Branch	Total employees	Handicapped employees
Head Office/PC	1,219	2
Sai 5	477	16
Tar Pra	245	3
Chainat	336	5
Yasothon	866	9
Buriram	171	1
<b>Total</b>	<b>3,314</b>	<b>36</b>

Remarks: the information disclosed under the **GRI 412-1** framework in regard to the number of related persons under the respect of human rights review.

- 1.1 The company has prepared the basic facilities for the handicapped employees' living such as making sloped walkway and toilets for the handicapped.



Sloped walkway for handicapped.



Toilets for handicapped.

- 1.2 To support the proper work process and prepare the work instructions for the handicapped employees so that they can work properly in every department.

Branch	No.	Units
Office	2	Sales Administration 1, Design 1
Sai 5	16	Warehouse 12, Cut 4, Mold 2
Tar Pra	3	Sewing 3
Chainat	5	Sewing 3, Packing Store 2
Yasothon	9	Sewing 3, Pack 3, Cut 1
Buriram	1	Production



#### วิธีการติดสติ๊กเกอร์ ทางกอง เกรดโปร

1. สีน้าเกรดลอ ขึ้นต้น S สีน้าเกรดโปร ขึ้นต้น P
2. ตัวอักษรในกรอบสี่เหลี่ยมเหมือนเดิม
3. สีน้าเกรด โปร สีจะเปลี่ยนเป็น AS
4. ไซร์เหมือนเดิม

#### วิธีการติดสติ๊กเกอร์ เสื้อ เกรดโปร

1. สีน้าเกรดลอ ขึ้นต้น S สีน้าเกรดโปร ขึ้นต้น P
2. ตัวอักษรในกรอบสี่เหลี่ยมเหมือนเดิม
3. สีน้าเกรด โปร สีจะเปลี่ยนเป็น AS
4. ไซร์เหมือนเดิมแต่ไม่มีคัท

1.3 To develop the handicapped employees' competencies with on-the-job training by their supervisors.



In 2021, the handicapped employees have received the benefits and have been assessed for year-end increments and bonuses according to their performance the same as other employees.

The handicapped employees have been assessed for the year-end increment and bonus in 2021.

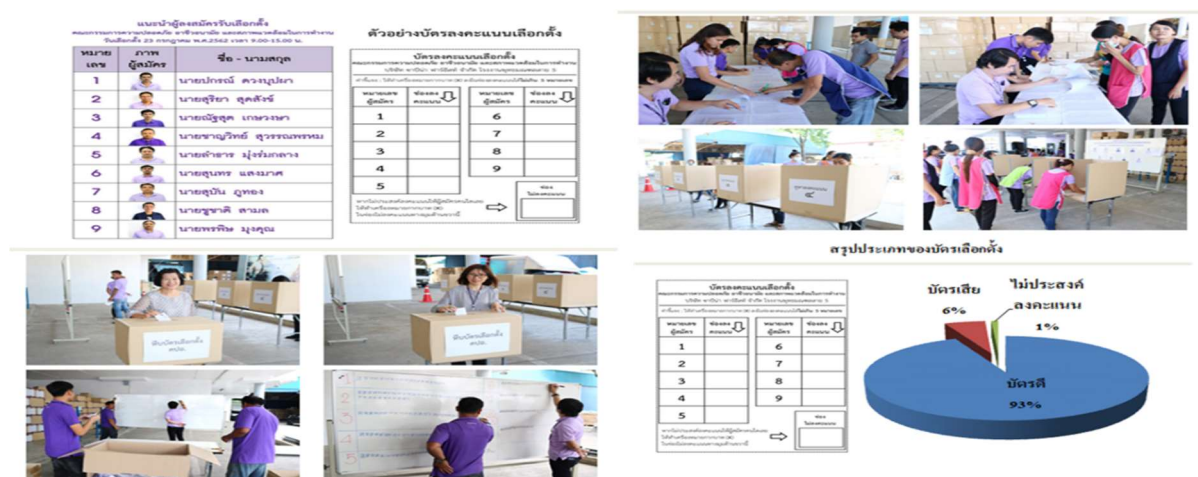
Factory	No. of handicapped	Assessment Results			
		Grade A	Grade B	Grade C	Grade D
Head Office	2		2		
Sai 5	16	1	5	10	
Tar Pra	3		3		
Chainat	5	1	2	2	
Yasothon	9		6	3	
Buriram	1		1		
<b>Total</b>	<b>36</b>	<b>2</b>	<b>19</b>	<b>15</b>	

The handicapped employees have received the same benefits as other employees.

No.	Benefits	2020											
		Office		Sai 5		Tar Pra		Chainat		Yasothon		Buriram	
		No. of persons	Amount	No. of persons	Amount	No. of persons	Amount	No. of persons	Amount	No. of persons	Amount	No. of persons	Amount
1	Medical allowance	-	-	-	-	4	1,834	-	-	5	7,130	-	-
2	Funeral allowance	-	-	1	7,000	-	-	-	-	-	-	-	-
3	Hospital visit allowance	-	-	-	-	-	-	1	500	-	-	-	-
	<b>Total</b>	-	-	<b>1</b>	<b>7,000</b>	<b>4</b>	<b>1,834</b>	<b>1</b>	<b>500</b>	<b>5</b>	<b>7,130</b>	-	-
<b>Summary</b>	<b>No. of Employees</b>	<b>11 persons</b>											
	<b>Amount</b>	<b>16,464 baht</b>											

No.	Benefits	2021											
		Office		Sai 5		Tar Pra		Chainat		Yasothon		Buriram	
		No. of persons	Amount	No. of persons	Amount	No. of persons	Amount	No. of persons	Amount	No. of persons	Amount	No. of persons	Amount
1	Medical allowance	1	2,396	-	-	1	640	2	1,720	1	2,770	-	-
2	Hospital visit allowance	-	-	-	-	-	-	-	-	1	500	-	-
	<b>Total</b>	<b>1</b>	<b>2,396</b>			<b>1</b>	<b>640</b>	<b>2</b>	<b>1,720</b>	<b>2</b>	<b>3,270</b>		<b>-</b>
<b>Summary</b>	<b>No. of Employee</b>	<b>6 persons</b>											
	<b>Amount</b>	<b>8,026 baht</b>											

**2<sup>nd</sup> Aspect** Freedom of thought of employees in the organization. The company supports the employees' representative election and gives freedom, liberty to apply as the committee member candidates and the right to vote for the committee members. The company organizes the election fairly and based on international standards.



Therefore, the number of voters making their votes to elect the Benefits Committee members as their representatives are higher than 75% of all employees in the company.

**3<sup>rd</sup> Aspect** To encourage the employees to express their opinions through the committees, other channels or in the meeting organized 4 times per year or more in case of any urgency. The Committee will be the employees' representative to attend meetings to express opinions and comments in regard to the mutual benefits of employees and the company.



Factory	2019		2020		2021	
	Times	Average Person/Time	Times	Average Person/Time	Times	Average Person/Time
Office	4	5	4	5	4	5
Sai 5	8	7	5	7	4	6
Tar Pra	8	5	5	5	4	5
Chainat	4	12	4	8	4	7
Yasothon	7	7	7	7	4	7
Buriram	4	5	4	5	4	4

To ensure all employees can express their opinion or drop a petition, the company has provided suggestion boxes in every area of every factory. In 2021, the company opened the Line Official Account as an additional channel for internal communication, receiving petitions so that the petitions will be reviewed and solved later on, allowing every employee to participate in any activity of the company. All petitions received during 2019–2021 have been taken into account and solved completely.



ชื่อบัญชี	เพื่อน
 SABINA_BRR	108
 SABINA_Ys	650
 SABINA_CN	329
 SABINA_TP	218
 SABINA_SS	292
 SABINA_HQ	321

Factory	No. of suggestions boxes	No. of petitions in 2019	No. of petitions in 2020	No. of petitions in 2021		
				From suggestions boxes	Through Line OA	Total
Office	1	-	-	-	-	-
Sai 5	5	4	2	2	1	3
Tar Pra	2	1	1	-	-	-
Chainat	1	15	10	5	-	5
Yasothon	3	15	5	6	-	6
Buriram	3	7	5	3	-	3
Total	15	42	23	16	1	17

**4<sup>th</sup> Aspect Respecting Human Rights.** The company realizes the risk towards human rights violation which may happen, so the company has conducted the human rights risk assessment within the organization in six dimensions as follows:

1. The risks towards the remuneration for the workers or employees may not correspond to the specified laws.
2. The risks towards child labor under the minimum age specified by laws.
3. The risks towards the safety and working environment.
4. The risks towards forced labor.
5. The risks towards the discrimination of the workers or employees.
6. The risks towards sexual harassment.

To avoid human rights violations, the company has applied for the labor standard certifications which are the Worldwide Responsible Accredited Production (WRAP), Thai Labor Standard (TLS) and Supplier Ethical Data Exchange (SEDEX). The company has conducted the following activities to ensure the above-mentioned six dimensions of risk have been managed properly:

- To identify the human rights policy on April 1, 2021, and publish for everyone's acknowledgements.
- To provide training on human rights to all employees for more understanding on the human rights principle the company adheres to.

Factory	Employees attended the training	Post Test Scores
Office	100%	97.70%
Sai 5	100%	98.20%
Tar Pra	100%	98.90%
Chainat	100%	97.02%
Yasothon	100%	99.02%
Buriram	100%-	98.07%
Total	100%	98.16%

Remarks: the information is disclosed under the GRI 412-2 framework in regard to the Employees' Training on the Human Rights Policy and Processes.

- To provide all employees with the human rights knowledge on the Noticed Board or through the Public Address System.





- To arrange the salary structure and remuneration to be in line with the same industry based on the ability and scope of responsibility assigned but not be lower than the minimum wages regulated by laws. However, the remuneration for the handicapped employees must be the same as other employees.
- To specify the minimum age of applicants which must not be lower than 18 years.
- To design the working place layout to be a safe working place; there must be an annual environmental inspection for lights, noise, dust, heat, chemicals as well as the risks towards the operations of every department for safety first.
- The overtime works or work on holidays schedule must be notified to the employees in advance and they must have the right to decide whether or not to work overtime or on holidays.
- To identify the explicit performance assessment criteria for the year-end increment and bonus payment to avoid intimidation to the subordinates and to prevent discrimination.
- Keeping the workplace open with airflow and assigning the security officer to especially patrol the blind spots to avoid any improper activity in those areas.
- To provide the channel to drop the petition on the human rights violation topic so the ones who are suffering can drop their petitions and be able to get help. Those petitions will be treated as confidential.

However, the company has identified the remediation for the human rights violation issues as follows:

- To receive the complaint/petition and investigate and provide justice in case the human rights violation is related to the company.
- To assist employees who have been violated on the human rights issue for litigation/lawsuit.

**Performance:** by operating many measures in 2021, there was no case on human rights violation in all six dimensions, so there was no remediation. The company has been certified with the following labor certifications:

- Tar Pra Factory has been certified Thai Labor Standard (TLS).
- Sai 5 Factory has been certified WRAP.
- Yasothon Factory has been certified SEDEX.



By operating many measures to handle the human rights issue and to communicate the company's goings on with employees, the cooperation between the company and employees has been developed and there was no labor dispute, and the company has been awarded the Best Company in Labor Relationships and the Best Welfare Award consecutively:

Yasothon factory	has been awarded for 16 years consecutively.
Tar Pra factory	has been awarded for 14 years consecutively.
Putthamonthon factory	has been awarded for 12 years consecutively.

## Governance Mangement

### Code of Conduct

Sabina (Public) Co., Ltd. is the producer and distributor of ladies' lingerie with the determination to operate its business with integrity, transparency to all stakeholders including shareholders, employees, customers, business partners and/or creditors as well as society and the environment. We have identified the Code of Conduct to cover all areas of responsibility and cascade it to employees at all levels including all directors and executives to be adhered to as the principle in operating the business ethically, properly and appropriately.

(Interested persons can see more details on the company's Code of Conduct from the topic Good Governance on the web page Investor Relations of the company's website or click here

<http://investor.sabina.co.th/th/corporate-governance/cg-report-and-download>)

### Anti-Corruption

#### Operating Business with the Anti-Corruption Guidelines.

The company and its subsidiary are determined to operate their businesses with transparency by giving priority to the company's benefits, not supporting any activity of intellectual property rights violation, and not supporting any political group. The company has specified the policies that focus on the engagement of everyone in the company to understand the negatives results of corruption and to create the core values without any risk towards the company. It is also identified that all employees of the company and its subsidiary must follow those policies strictly. The company has sent employees to attend training on anti-corruption organized by many institutions to study, review and develop the proper way to disclose information about anti-corruption of the company and its subsidiary.

Therefore, the company and its subsidiary have communicated to both internal and external organizations to create a good understanding with all persons related to the company and its subsidiary that there will be no giving and/or demand, receiving or accepting cash, things or any benefit from the persons related to the company and its subsidiary from both the state and private sector and shall not operate or perform such actions. The company and its subsidiary shall not demand, operate or accept any bribe for the benefit of the company and its subsidiary, themselves, their families, their friends and their related persons, and if the employees of the company and its subsidiary have violated this policy, disciplinary action will be taken based on the facts and the context. In the meantime, the company and its subsidiary shall not demote, punish or impose negative effects to any employee who refuses to perform any act of corruption even if that will cause the company to lose a business opportunity.

Currently, the company and its subsidiary have been performing the anti-corruption campaign in four levels as follows:

- Level 1: Commitment. To commit to practice or determination in working together to achieve the target in regard to anti-corruption.
- Level 2: Declaration. To declare to the public and the coalition its strong intention on the matter of anti-corruption.
- Level 3: Establishment. The company shall establish any measure to prevent an act of corruption which may occur and to form up as Norm to be known generally.
- Level 4: Certification. After implementation of the above 3 levels, the company may take the 71 check-list of the Thai Private Collective Action Against Corruption (CAC) to apply for the CAC SME Certification and Sabina (Public) Co., Ltd. had been certified on July 10, 2015. There will be an audit by external persons every 3 years and Sabina has been confirmed with the certification renewal on March 31, 2021 (this is the 3<sup>rd</sup> renewal) and the certificate will expire by March 30, 2024.

The company attended the 11<sup>th</sup> Certificate Awarding Ceremony of the Thai Private Collective Action Against Corruption (CAC) under the topic “Transparent Business Alliance, Anti-Corruption Bear In Mind” on December 22, 2021, at 13:30–15:00 via Zoom online meeting.



The company and its subsidiary have cascaded the policy into many procedures and allowed every work unit to participate in setting up the procedures of their work units for more efficiency. This must be cascaded from the main policy of the company and go into details of each work unit and must correspond with the procedures of other work units as well.

However, the Board of Directors of the company and its subsidiary have emphasized the transparent business operation without any benefit or profit acquired as an act of corruption. It has identified the policy in regard to the receiving and giving presents, assets or other benefits and entertainments with the auditable process and control measurements to ensure such actions will comply with the company and its subsidiary's specified policy and will not cause an act of corruption.

#### Guidelines

- The employees of the company and its subsidiary must strictly follow the anti-corruption policy in regard to receiving and giving presents, assets or other benefits and entertainment.
- The company and its subsidiary have established the policy related to receiving and giving presents, assets or other benefits and entertainment to reduce the decision influence towards their duties with dilemma or conflict of interests.

- The company and its subsidiary shall not forbid the receiving or giving of presents with the company's brand logo to maintain good business relationships or to perform as a traditional act and morality.
- It must not be monetary or considered as a monetary or illegal present, assets or other benefits.
- No entertainment must be made with an obligation or create the feeling of reciprocity which is an act of corruption and must not violate the rules, regulations and laws.
- In selecting, price negotiation and purchasing/procurement of goods, materials, sales spaces or other benefits for the company and its subsidiary, the persons in charge must not demand or give presents, assets or other benefits and entertainment as a bribe to exchange with undeserved privileges, entering into a mutual agreement or as the cause of omission of any standard, regulation or specified procedures by the related officers.
- The company and its subsidiary have communicated and publicized to all employees and all business-related persons to create understanding on the receiving and giving of presents, assets or other benefits and entertainment procedures of the company and its subsidiary.

The Administration, Internal Audit Officers and Anti-Corruption Committee are jointly responsible for the testing and assessing of corruption risks continuously, and being cautious on such risky issues, strictly following the policy and presenting the assessment results to the Audit Committee and reporting to the Board of Directors at a later stage.

To create transparency, equitability and fairness to all stakeholders and prevent business favors and motivation for any privilege and benefit in the future, the Anti-Corruption Committee has implemented the policy to ask for cooperation from all concerned to refrain from giving and receiving all kinds of presents in all cases (No Gift Policy) by sending letters to all business partners and communicating to all employees for better understanding in the procedures of receiving and giving the presents, assets or other benefits and entertainment.



บริษัท ซาบิน่า จำกัด (มหาชน)  
Sabina Public Company Limited

November 1, 2021

Subject: Cooperation to refrain from giving and receiving gifts on all occasions.  
Attention: CEO, Managing Director and Owner of all trading firms

Sabina (Public) Co., Ltd. and Sabina Fareast Co., Ltd. have emphasized the business operations with good governance, ethics and transparency. We have treated all related persons and stakeholders with equality. We, also, have been certified as an alliance of the Thai Collective Action Coalition Against Corruption (CAC). We have been implementing all forms of the anti-corruption policies both direct and indirect since 2015.

To ensure the transparency and equitability to all stakeholders and to prevent the business favor and motivation for receiving any right and benefit in the future, the company, hereby, kindly requests your cooperation in refraining from giving and receiving all kinds of gifts on all occasions to directors, executives and employees as per the following details:

1. Do not give or receive any asset, thing, dividend, bribery or other benefit.
2. Do not give or receive any kinds of hampers, gold, cash, gift check, gift cards, gift/presents, traveling packages, air tickets, restaurant gift cards, bakery items, etc.

Should there be any petition from directors, executives, employees and all stakeholders, the company shall investigate the case and if there is any information or concrete evidence or a reason to believe that the accused persons have truly violated the anti-corruption policy, then the company shall reconsider the business relation with all stakeholders or take disciplinary actions against those executives and employees.

We would like to take this opportunity to invite all of you to join the CAC for SME project of the Thai Collective Action Coalition Against Corruption (CAC) through the website of the Thai Institute of Directors ([www.thai-iod.com](http://www.thai-iod.com)). Let's be a part of helping develop an ethical and moral business operation based on good corporate governance.

Thank you very much, and we look forward to your kind cooperation on this matter.

Yours Sincerely,



(Mr. Somkid Pardungkiattisak)  
Chairman of Anti-Corruption Committee



(Mr. Bunchai Punturaumporn)  
Managing Director

บริษัท ซาบิน่า จำกัด (มหาชน)

สำนักงาน : 12 ถนนอรุณอมรินทร์ แขวงอรุณอมรินทร์ เขตบางกอกน้อย กรุงเทพฯ 10700  
โรงงาน : 177 หมู่ 8 ต.เวียงไทรทอง อ.หันคา จ.ชัยนาท 17130  
โรงงาน : 236 หมู่ 10 ต.อุทัย อ.เมืองยโสธร จ.ยโสธร 35000

Sabina Public Company Limited

OFFICE : 12 Anur-amarin Rd., Anur-amarin, Bangkoknoi, Bangkok 10700, Thailand Tel: (02)4229400, Fax: (02)4345911, 4349312  
FACTORY : 177 Moo 8, Wangkhitn, Hanka, Chainat 17130 Tel: (056) 437156-8 Fax: (056) 437159  
FACTORY : 236 Moo 10, Doithung, Muang Yasothon, Yasothon 35000 Tel: (045) 582566-70 Fax: (045) 582569

## Announcement of the Anti-Corruption Policy

To allow all employees, all related persons and all stakeholders of the company and its subsidiary to be able to access the anti-corruption policy, we have published this policy through various channels as follows:

### Internal working units

- Announce through electronic media of the company
- Publish on the noticed board of the company and its subsidiary.
- Public address system.
- Office 5S Line official account.
- Orientation to new employees.
- To organize a training session to publicize the anti-corruption policy, ethics and code of conduct and risk management every year to all employees of the company and its subsidiary for their good understanding and strict following of such policies. The following is the training schedule in 2021:

- Pin Klao Office Training on November 10, 2021
- Salespersons Training on November 10, 2021
- Putthamonthon Sai 5 factory Training on November 10, 2021
- Tar Pra factory Training on November 10, 2021
- Chainat factory Training on November 10, 2021
- Yasothon factory Training on November 10, 2021
- Buriram factory Training on November 10, 2021

Factory	2018		2019		2020		2021	
	No. of employees	%	No. of employees	%	No. of employees	%	No. of employees	%
Pin Klao Office	347	100%	350	100%	353	100%	336	100%
Salespersons	1,143	100%	1,155	100%	1,078	100%	866	100%
Sai 5	723	100%	776	100%	645	100%	468	100%
Tar Pra	364	100%	372	100%	309	100%	238	100%
Chainat	520	100%	531	100%	411	100%	336	100%
Yasothon	1,111	100%	1,112	100%	1,008	100%	859	100%
Buriram	233	100%	307	100%	255	100%	166	100%
<b>Total</b>	<b>4,441</b>		<b>4,603</b>		<b>4,059</b>		<b>3,269</b>	

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**External units**

- Publish through the company's website.
- Mailing to the business partners.
- Company's Annual Report (56-1)

**Guidelines for performance assessment according to the prevention procedures.**

The company has specified the guidelines to verify the internal control process and monitor the performance assessment for the prevention of corruption. The Internal Audit Department shall verify the internal control process and provide suggestions in the Annual Auditor's Report consented by the Audit Committee. If there is any petition to investigate and there is any concrete evidence to believe that those transactions or actions may significantly impact the company's financial status or its operating performance, the Internal Audit Department must report such significant results to the Audit Committee and the Board of Directors at a later stage to rectify such within the time frame specified by the Audit Committee.



Attachment 7

Report of the Board of Directors

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## Report of the Board of Directors

Due to the COVID-19 epidemic, Thailand's economy in 2021 is the slump caused the overall lingerie market from a typical storefront perspective. Modern retailers have seen declining growth as a result of the COVID-19 epidemic, limiting the purchasing power of consumers. However, in terms of online trade, there is a growing and bustling trade. Therefore, the overall summary is still expected. The lingerie market is still growing moderately. This includes markets, general stores, modern retailers and corporate stores. Including selling through online channels and new channels arising in addition to the competition between domestic manufacturers there is still competition from leading foreign lingerie manufacturers such as France, the United States, etc.

Even if 2021 is not a very good year. But in the difficult situation of the COVID-19 outbreak, something delightful happened to the company, or SABINA, manufacturer and distributor of "Sabina" underwear for most of the time. Last year, which is an opportunity for the company expand customer base in a wide range of areas from small seller imported products for sale cannot bring the product into the same due to the closure of the journey as well as direct investment in the purchase of finished goods stock. It is something to be aware of in recent years creating new opportunities for the company in making a special sales model and expand and build a customer base in this group to bring the goods to can be distributed to end customers.

In an unpredictable situation under the ongoing pandemic situation of COVID-19, Sabina Public Company Limited will be able to maintain operations in 2021 as expected with great cooperation both inside and outside the organization. Even though the total sales in 2021 was 9%, or 258 million baht, less than 2020, the total sales were 2,656 million baht, and we could create a net profit of 2021 which was 6% higher than the year 2020, accounting for a net profit of 294 million baht in 2021. According to the operating results, the Board of Directors has resolved to pay a dividend of 0.85 baht per share, but since the Board of Directors had already resolved to pay the interim dividend in the amount of 0.41 baht per share, it is advisable to propose to the general meeting of shareholders on April 21, 2022 to approve the payment of another dividend at the rate of 0.44 baht per share, which is scheduled to be paid on May 19, 2022.

In the field of skill development of the company workers. Especially sewing workers have been continuously developed. By focusing on the principles of development for skilled employees through training to promote the company to be a learning organization with mergers and acquisitions working together as single unit to make the most of the resources and reduce the amount of handover to ensure accuracy in the work process and increase the speed in doing more work and focused on using agile management principles, a process that will help work faster which will enable faster product development and better response to users' needs. Design thinking or design thinking to be applied in every work process.

And the company still adheres to conducting business with transparency, fairness, and accountability under the principles of good governance along with social and environmental responsibility resulting in the company get an assessment result corporate governance is at the "excellent" level, outstanding performance in environmental, social and governance from the institution, received an assessment of corporate governance at the level of "Excellent" EXCELLENT CG SCORE for the fourth year from the Thai Institute of Directors Association (IOD) in conjunction with the Stock Exchange of Thailand and the Office of the SEC, including receiving certification for the renewal is a member of the Thai Private Sector Collective Action Coalition against Corruption (CAC). ESG 100 from Thaipat etc.

In 2021, we, Sabina, were proud to be named as one of the sustainable stocks of Thailand Sustainability Investment (THSI) for the year 2021 by the Stock Exchange of Thailand. This reflected the adoption of sustainability strategies in business management, having a good risk management process, adapting and creating competitive opportunities through business innovation. In addition, this sustainable stock in 2021 had a comprehensive crisis management approach to cope with the pandemic situation clearly, despite having to face hardships from the spread of COVID-19.

Another pride of Sabina was the Rising Star Sustainability Awards from the 18th SET Awards 2021 organized by the Stock Exchange of Thailand in collaboration with the banking and finance journal. It was considered from listed companies that stand out in sustainable business operations as a whole, taking into account the environmental, social and governance (ESG) goals. The award reflected Sabina's commitment to corporate governance principles for the benefit and equality of all relevant sectors along with business operations for sustainable growth of the organization including passing on good opportunities to society and the public through various projects that Sabina has always undertaken whether it's a breast implant to be delivered to breast cancer patients who have undergone surgery, the Zero Waste program, or the financial literacy program to help indebted employees live a better life.

On behalf of the Board of Directors, executives, and employees, we will adhere to business operations under the principles of good governance to build the organization's sustainability. We truly thank the shareholders, customers, business partners, business alliances as well as all stakeholders for the trust and confidence in the potential of the Company that you have always given to the Company. We are ready to take Sabina to become a regional brand and one of the proud Thai brands of Thai people.



(Mr. Viroj Thanalongkorn)

Chairman of the Board Directors.

Attachment 8

Report of Audit Committee

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## Report of Audit Committee for the year 2021

Audit Committee of Sabina Public Company Limited, which is comprised of four independent directors (Miss Raweewan Pinyopanakul, Mr. Yuttana Adipat, Mr. Somchai Vanawit and Ms. Pensri Suteerasan), performed the critical duties assigned from the Board of Directors, i.e. reviewing of financial statement and information disclosure, reviewing of corporate governance, reviewing of internal control and internal audit, reviewing of conflict of interest among related parties, reviewing of risk assessment system, and appointment of auditors for the year 2022. There were four Audit Committee Meetings in 2021 (in one agenda in the fourth meeting, audit committee held the meeting with the company's auditor without the presence of the company's Management). Audit Committee's performance of duty in 2021 can be summarized as below:

1. Reviewing of quarterly financial statement and annual financial statements for the year 2021

Audit Committee reviewed quarterly financial statements and annual financial statements for the year 2021 which were prepared based on Thai Financial Reporting Standards (TFRS) consistent with International Financial Reporting Standards (IFRS) and complying with the laws and regulations, accounting standards and financial reporting standards set forth by the Securities Exchange Commission (SEC). In addition, Audit Committee held the meeting with the auditor without the presence of the company's Management.

2. Reviewing of corporate governance

Audit Committee reviewed and supervised to ensure that the company adhere to its article of association, regulations of Securities Exchange Commission (SEC), regulations of Stock Exchange of Thailand (SET), related laws, and principles of good governance, that disclosure of information and related party transactions according to the announcement of SEC and SET are done precisely, comprehensively, and timely, and that the company focuses on transparency and fairness in its business conduct.

3. Reviewing of internal control and internal audit system

Audit Committee reviewed the company's internal control system and found that the company's internal control system is appropriate and adequately rigorous. Audit Committee agreed to the company's annual audit plan and reviewed audit plan execution to ensure that the plan was accordingly implemented, as well as to follow up on the correction of control weaknesses previously found.

4. Reviewing of conflict of interests among connected parties

Audit Committee reviewed related party transactions and transactions with possible conflict of interests, including transactions or business arrangement between the company and directors, executive, or connected parties, according to the definition by the Stock Exchange of Thailand and related regulations on a quarterly basis and found that the company strictly complies with the

regulations set forth by the Stock Exchange of Thailand and the principle of corporate governance, as well as discloses such transactions to SET accurately and timely.

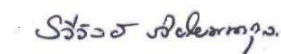
5. Reviewing of risk Assessment and management system

Audit Committee reviewed the company's risk assessment and management system by discussing with Management Board on a quarterly basis. Management Board assesses critical risk factors, probability of the occurrence, and severity of the impact to business so as to formulate the plan to prevent or management such risks if taking place.

6. Nomination of Auditor for the year 2022

Audit Committee selected and appointed AMT Associate Office to be a company's auditor, considering its satisfactory performance in the previous year. The committee reviewed qualifications of the auditor to ensure completeness and nominated to the Board of Director. The Meeting of Shareholders 2022 appointed Mrs. Nattsaruk Sarojnanchin, Mr. Chaiyuth Angsuwittaya, Ms. Daranee Somkumnerd, Ms. Jarunee Nuammea, and Mr. Siramet Aukkarachotikulnun Certified Public Accountant No. 4563, 3885, 5007, 5596, and 11821 respectively, of AMT Associate Office to be a company's auditor for the year 2022.

On behalf of Audit Committee



(Miss Raweewan Pinyopanakul)

Chairman of Audit Committee

Attachment 9

Report of the Nomination and Remuneration Committee

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## Report of the Nomination and Remuneration Committee.

Sabina Public Company Limited's Nomination and Remuneration Committee consists of four directors who are appointed by the Board of Directors. There are 3 independent directors as the Chairman and the Board of Directors, most of which consist of independent directors and one representative from the Executive Committee.

Consists of:      The first person: Mr. Somchai Vanavit, Independent Director, the Chairman of the Nomination and Remuneration Committee.

                         The second person: Mr. Yuthana Adipath, Independent Director, the Nomination and Remuneration Committee.

                         The third person: Miss Rawewan Piyayopanakul, Independent Director, the Nomination and Remuneration Committee.

                         The fourth: person, Mr. Bunchai Punturaumporn, Director of the Company, the Nomination and Remuneration Committee.

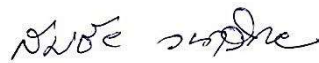
                         The Nomination and Remuneration Committee has established policies, criteria and methods for nominating company directors.

                         By considering the qualifications of the persons to be nominated for the position of the Board of Directors. Both in terms of personal status Knowledge, competence, experience, specialization related to a business or industry for the selection of persons with appropriate qualifications follow the selection criteria to propose to the Board of Directors and / or shareholders for consideration. Consider the appointment in the next case.

                         Duty of Nomination and Remuneration has the duty to consider compensation. Determine the format, criteria, remuneration and remuneration policy for the Board of Directors and sub-committees and management high level as appropriate is reasonable. Compared with the same industry whether the compensation is monetary or compensation in any other way. To consider and approve the determination of the annual remuneration of directors to propose to the Board of Directors for approval and or to the shareholders, as the case may be.



The Nomination and Remuneration Committee has performed in accordance with the scope of duties and full responsibility with care and freedom by taking into account the best interests of the company and stakeholders of all parties is important.



Mr. Somchai Vanavit

Chairman of the Nomination and Remuneration Committee

Attachment 10

Report of Risk Management Committee

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## Report of the Risk Management Committee

The Board of Directors has established a comprehensive risk management system throughout the organization tool is the implementation of the principles of good corporate governance and is a management tool, which increases the chance of success according to the company's objectives all directors, executives and employees are the owners of the risk. They are responsible for identifying events, analyzing, assessing opportunities and severity of impacts that may affect the business operations of the company and its subsidiaries, and define measures to limit preventive measures and control risks as a framework for action. Tasks in the administrative process the risks are covered throughout the organization and in accordance with various objectives, goals and strategic plans including an anti-corruption risk assessment of the company and its subsidiaries, as well as assessing the efficiency of risk management, monitoring the situation and as a result of risk factors that may change all the time by the company has determined that the chairman of the risk management committee must be independent directors only.

The Risk Management Committee of Sabina Public Company Limited consists of 4 directors who are appointed by the Board of Directors. which has an independent director as the chairman and is an executive committee of 3 persons consisting of :

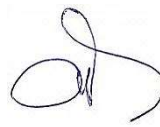
1. Mr. Chakkris Uthayoplas, Chairman of the Risk Management Committee
2. Miss Duangdao Mahanavanont, Risk Management Committee
3. Miss Vachirawan Yamsri, Risk Management Committee
4. Mr. Somkid Pardungkiattisak, Risk Management Committee

By the Risk Management Committee is responsible for defining policies and guidelines for risk management covering all processes in the business plan in which the process of making a business plan have analyzed and identify the factors various risks Related to be used as a guideline to formulate strategies for risk management as well as provide assessing, monitoring, controlling and reporting risks to the Board of Directors at least once a year.

In 2021, the Risk Management Committee has meeting 2 times with important performance as follows:

1. Review the charter of the Risk Management Committee to ensure consistency and encourage the organization to manage risks effectively and efficiently.
2. Review the risk assessment report based on the opportunity and possible impacts. Corruption with government officials.

3. Consider and approve the anti-corruption policy.
4. Report the results of operations to the Audit Committee and the Board of Directors on an ongoing basis regularly.



Mr. Chakkris Uthayoplas



Chairman of the Risk Management Committee



# SABINA

**SABINA PUBLIC COMPANY LIMITED**

12 Arun-Amarin Rd., Bangkoknoi, Bangkok 10700

Tel. 0 2422 9400 Fax: 0 2434 5911, 0 2434 9312

 [www.sabina.co.th](http://www.sabina.co.th)  SaninaThailand

 @SabinaThailand  Sabina\_ig

