

Form 56-1

Ended December 31, 2020

Sabina Public Company Limited

## Table of Contents

	Pages
<b>Part 1 Business Conduct</b>	
1. Policy and Business conduct overview	1
2. The nature of business	24
3. Risk factors	43
4. Asset used in business operations	52
5. Legal dispute	58
6. General information and other important information	59
 <b>Part 2 Corporate Governance</b>	
7. Assets and Shareholders Information	61
8. Managerial Structure	63
9. Corporate Governance	86
10. Corporate Social Responsibility (CSR)	126
11. Internal control and risk management	128
12. Related party transactions	129
 <b>Part 3 Performance and Financial Status</b>	
13. Financial Information	136
14. Analysis of Performance	147
 <b>Analysis of Performance</b>	 <b>157</b>
 <b>Attachment</b>	
Attachment 1 Particulars of Directors, Executives, Persons Controlling and Secretary the Company.	159
Attachment 2 Particulars of Directors, Executives and the Persons Controlling the Company; Directors of Subsidiary	173
Attachment 3 Particulars Head of Internal Audit	175
Attachment 4 Detail about Assets Appraisal	177
Attachment 5 Sustainability Report 2020	179
Attachment 6 Report of the Board of Directors	272

	Pages
Attachment 7 Report of the Audit Committee	276
Attachment 8 Report of the Nomination and Remuneration Committee	279
Attachment 9 Report of the Risk Management Committee	282
Attachment 10 Other	285

---

## Part 1 Business Conduct

### 1. Policy and Business conduct overview

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".

#### **The company and subsidiary operation**

##### **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 Buriram. There are 2,829 machines in total which divide into 2,766 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 7.4 million pieces per year.

##### **Sabina Fareast Company Limited (Subsidiaries)**

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

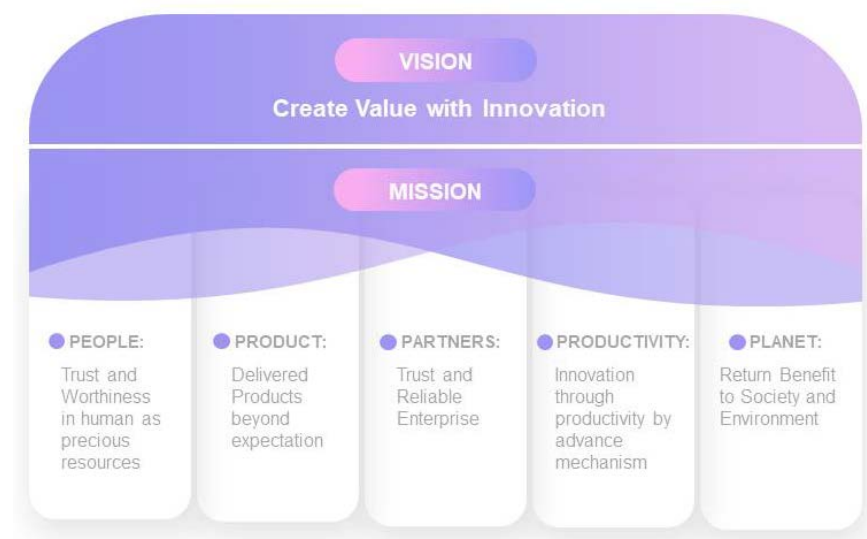
1. lingerie design, produce and distribution business under the trademark SABINA which comprise of sub collections such as Sabinie, DoommDoomm, Soft Doomm, Modern V by Sabina and several other variety collections meet with the needs of women of all age.

2. lingerie design, produce and distribution business made to customer order who are lingerie suppliers in foreign countries (OEM) such as England, USA, Europe 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. For 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 2 factories located in Bangkok and Nakorn Pathom. Total number of machines is 1,430 which can be divided into 1,279 of sewing machines and 151 of other machines. Currently, the subsidiary has a production capacity of 3.0 million pieces per year.

### 1.1 Vision, mission, strategy and operational goals of the company



#### Vision

The company operates under the concept of “Create Value with Innovation” aim to build Sabina lingerie brand integrity with new innovations as well as modern fashion, accepted quality, consist and fits with the needs of all women in all countries and along with social responsibility.

#### Mission

The company has a mission to operate in accordance with the vision structured under the concept of operations which are separated into various parts as follows.

---

**1. People: Trust and Worthiness in human as precious resources**

**People:** The company believes that employees are valuable human resources because they are an important factor enables the company to achieve its goals and objectives. Therefore, giving importance to taking care of all employees, every position is like a valuable resource of the company.

**2. Product: Delivered products beyond expectation**

**Product:** The company will produce product's quality to meet with expectations of customers. By using research, develop new innovations for products that will meet the needs of women of all ages.

**3. Partners: Trust and Reliable Enterprise**

**Partners:** The company will manage and operate in order to gain trust and confidence from partners or those related to the company in every aspect such as shareholders, employees, customers, creditors, and competitors.

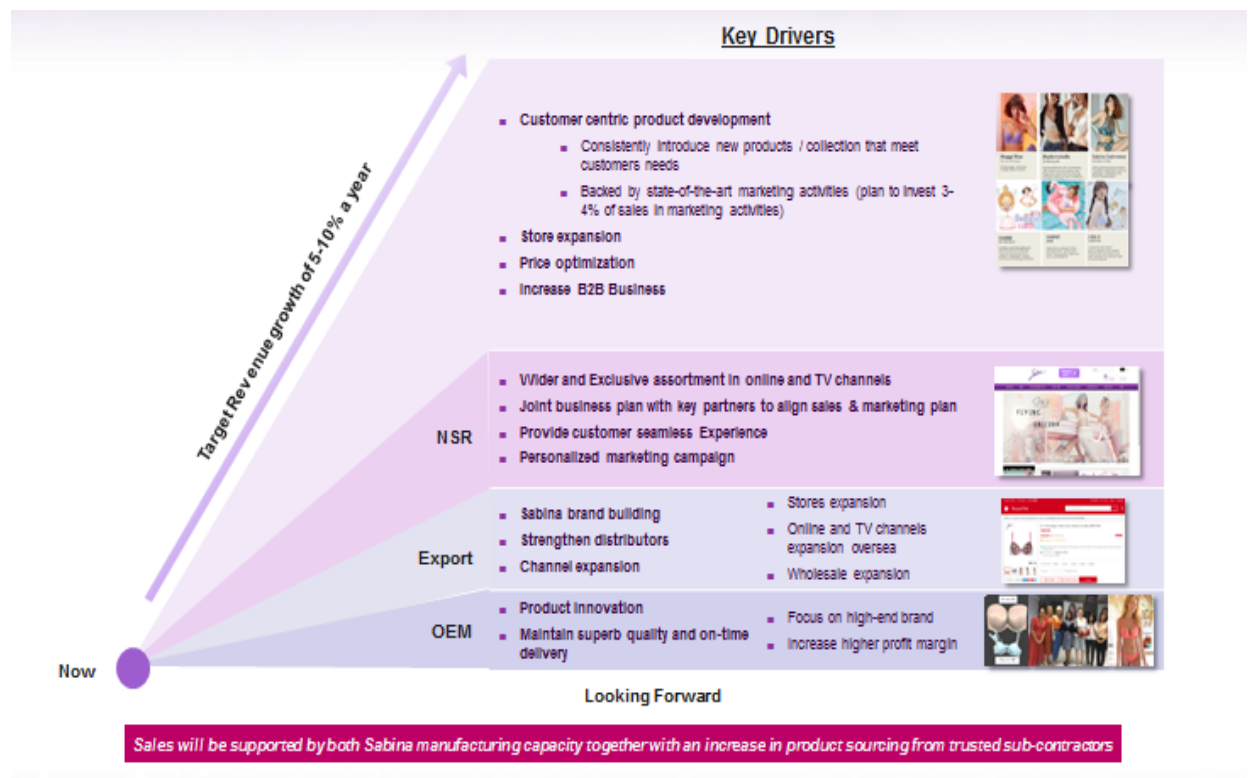
**4. Productivity: Innovation through productivity by advance mechanism**

**Productivity:** The company will manage production by using production management methods, production technology, production innovation Including modern machinery used in production. In order to get standardize quality products and approve by every customer in every country.

**5. Planet: Return Benefit to Society and Environment**

**Planet:** The company is still committed to business conducting by returning profits to society and the environment.

## Strategy and long-term goals 2021-2025



For the long-term goals from 2021-2025, the company is expecting its sales revenue to grow by an average of 10% based on the changing circumstances of the economy. The increased sales revenue depends greatly upon revenue structure divided into 4 major structures which are as follows:

With clear goals for growth as follows:

- To lead the Sabina brand to be the number 1 underwear brand in Thailand, stepping ahead to become a regional-level brand in Asia.
- To be the leader in modern manufacturing innovation as well as a leadership in fashion and functional underwear to meet customer needs in all age groups.
- To be a modern brand which understand the customer's needs according to the slogan, "Because we are friends who understand women," focusing on the implementation of technology to meet their needs, and developing communication accessible to different customers of changing life styles.
- To improve production efficiency for maximum effectiveness of both machinery and raw materials in reducing work process towards lower costs.

---

### 1. Domestic sales of the Sabina brand

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

### 2. Non-Store Retailing

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. Develop quality and service standards for customers' trust according to Sabina's slogan "Because we are friends who understand women".

---

### 3. Sabina exports to foreign markets

There has been a continual growth in selling products under the Sabina brand through overseas distributors, especially those in CLMV countries such as Vietnam, Laos, Myanmar, Cambodia and the Philippines. The strategy to develop sales growth in this structure is as follows.

a. Develop personnel working in each country and send Sabina staff to key countries such as Vietnam and the Philippines to help develop the system and empower the staff there with knowledge and skills which are contributable to the success of the company in Thailand, so they can be applied what they learn to each area specifically by emphasizing the understanding of products and services as well as managing stock inventory.

b. Help negotiate sales in order to expand sales channels overseas by bringing the success of sales in Thailand to further develop and negotiate trade in other countries both in-store sales And out-of-store sales.

c. Start sourcing products from production bases in that country to reduce costs and to speed up adding products in the store to meet the needs of customers in each country, all of which still is under quality control to meet Sabina standards equivalent to production in Thailand.

### 4. 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. The pricing policy of the product is divided into 2 parts, including the pricing for products under the subsidiary's trademark (Sabina) and the pricing for products under the manufacturer's trademark (OEM). The factors affecting the pricing of these two types of products comprise characteristics, quantity, and market value. The pricing for products under the subsidiary's trademark (Sabina) depends on the appropriateness for customers by setting prices according to market values that contend at the same level as competitors in the market. The company's product prices are at the middle level of pricing when compared to those of the same

types of products in the market. In particular, the company does not have a policy for pricing competitiveness with other manufacturers. However, the prices of products may be discounted according to the marketing strategy of department stores and points of sales as is appropriate for the OEM products. The company selects the top level of customers and implements a policy for price setting by increasing profits with the cost plus from production. These selling prices partly cover the risk of foreign currency fluctuations, while the gross profits from production of each product vary according to the product types, as well as the quantity of products ordered by customers.

2. The costs of production are reduced by developing raw materials together with trading partners, including negotiations on large quantities of raw materials through the total purchase orders and imports of necessary raw material quantities for Just In Time production, to prevent sunk inventory and work in process costs. This leads to lower expenditures on administration and management, as well as a decrease in production costs.

3. The sewing workers are developed to work in a 'Multi Skill' approach to support 'Quick Change Over' flexibility that allows rapid task changes when compared to the original method. Measurement of the sewing skills of sewing workers (Work Passport) on various types of sewing machines is tested and used to obtain information and guidelines for the planning of skill development. In 2020, the level of Multi Skills among the company's sewing workers increased by 10% from 2019, as shown in the table below.

Year	Line 5	Tha Phra	Chai Nat	Buri Ram	Yasothon	Average
2019	55%	54%	34%	36%	51%	47%
2020	60%	57%	50%	48%	61%	57%
Increase	5%	3%	16%	12%	10%	10%

4. Develop potential leadership through the Small Group Activity Leader project to learn concepts - tools in 8 management courses as follows:

- Kaizen: Continuous job improvement with ECRS, then upgrading as the standard according to a cycle of Plan- Do- Check- Act
- 5S with productivity enhancement: The application of 5S in the area maintenance tool to support 5S in the workflow, such as having only the necessary items in term of amount and time, visual-eye control systems, and detection of malfunctions in tools and machines from daily cleaning
- Lean System: Understanding value-added and non-value added work activities, as well as the non-value added but necessary work activities, and non-acceptance of wastes, which are Overproduction, Inventory, Transportation, Motion, Processing, Delay, Defect, and Non-Utilized

- IE for non IE: Understanding basic management tools, such as standard timing, target setting, production planning, measurement of production capability, and various productivity techniques
- QCC (Quality Control Cycle): Working development or problem solving in a systematic way through group activities in brainstorming with reasons, factual information, and use of various technical tools (7 QC Tools) for problem analysis
- Leadership: Supporting and fostering good relationships, effective assignments, and communication with supervisors / subordinates, as well as persuasion and encouragement to the team
- Work Happiness: Working happily by realizing self-value, living in the present, and having goals in life
- HR for non HR: Understanding how to help and take care of each other, starting from the recruiting process - developing - giving opportunities - keeping in accordance with the corporate culture of “4 Good” of thinking, speaking, doing, being, without thinking that this is an exclusive duty of the HR department

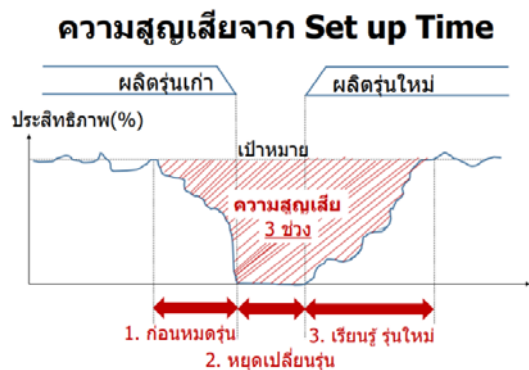
5. The development of working efficiency is implemented through the upgraded application of Lean strategies. The company provides on-site training and workshops by independent speakers to identify and eliminate wastes at work for supervisors, with Quick Win and Long Term revision plans.

Summary of the number of personnel attending the 1<sup>st</sup> Lean training

	Manager	Senior Head	Head	Officer	Total (person)
Line 5	2	19	8	7	36
Tha Phra	3	11	5	12	31
Chai Nat	5	6	9	9	29
Yasothon	9	26		4	39
Buri Ram	1	3		1	5
<b>Total</b>	<b>20</b>	<b>65</b>	<b>22</b>	<b>33</b>	<b>140</b>
<b>Percentage</b>	<b>14%</b>	<b>46%</b>	<b>16%</b>	<b>24%</b>	<b>100%</b>

In addition, training for the Sewing Production Line supervisor proceeded on the topic of changing designs to accommodate jobs with a small number of choices. This was accomplished by analyzing the causes of problems to increase production efficiency during the work transitions, which was divided into 3 stages of analysis: time before the end of work, transition time into new work, and time used in learning new work.





Before work run-out, Stop to change new work, Learning new work

Summary of the number of personnel attending the 2<sup>nd</sup> Lean training

	Manager	Senior Head	Head	Officer	Total (person)
Line 5	1	6	3	1	11
Tha Phra	3	10	5	7	25
Chai Nat	6	7	11	9	33
<b>Total</b>	<b>10</b>	<b>23</b>	<b>19</b>	<b>17</b>	<b>69</b>
<b>Percentage</b>	<b>14%</b>	<b>33%</b>	<b>28%</b>	<b>25%</b>	<b>100%</b>

Following the application of the LEAN production system, the company was successful in raw materials inventory management. The quantity of inventory and WIP volume fell from 244 million baht (in 2012) to approximately 66 million baht (in 2020), with the amount of raw materials reduced from the 2019 to 51%. Whereas, the application of timely-fit production management across the company. As a result, it can reduce the lead time for production from 120-180 days to 90-150 days, as well as the product delivery to customers in a timely manner.

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.

		2562-2565	Total Quality Management	Sustainable Business
		2559-2561	Lean Enhancement, Problem Solving, Employee Engagement	High Performance Organization
		2556-2558	5S In process & 5S 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.

### 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.

In the past year, the company modified its sewing process pattern to manufacture of cloth masks instead of underwear, along with the procurement of raw materials according to the production of cloth masks.

- **The products**

**Creating innovation for underwear and swimwear products**

The company and its subsidiaries have established a product research and development team to create new innovations for underwear and swimwear products in terms of new functions and modern design that corresponds to consumers rapid behaviour change. Using previous distribution data to analyse and find product characteristics, product styles and product fashion for the consumer needs at all time. In addition, the company is aware of the product fashion guidelines that the company has produced for customers in Europe and England Which is a leader in fashion and lingerie. In addition, the research team also bring in new raw materials and

formulas to adjust with the consumer's body and needs. So that the company's products are modern and attractive to consumers and consist with the current lingerie market conditions.

#### **Research and Direct survey of consumer's needs**

The subsidiary surveyed the needs of consumers in order to obtain products that meet market needs by using various methods such as focus group research, surveying both before and after the product distribution, data collection in the sales area (Market Survey), talking to target groups through various activities such as campus tour, work shop etc. Which the subsidiary will keep conduct surveys in every collection at all time in order to quickly respond to customer needs and using this information to analyze and develop the sample product and then test it with the target group. These process takes time to develop and a period to test the product until the company confident enough in the quality and product then they will be release into the market.

#### **Cost reduction**

The company takes care of costs continuously with various strategies. In the past that has costing up to 65%, but the current cost has dropped to 48%, resulting in higher gross profit. In the future there is a tendency to make higher gross profit.

Focusing on reducing the proportion of OEM production and sales to the appropriate level is one way to reduce costs. Since such production requires materials as specified by the brand, the company must purchase materials from suppliers as agreed upon, which affect the bargaining power while the company's brand production volume has increased. Apart from being able to set a better selling price, being a major customer of material manufacturer gives the company with more bargaining power. Resulting in reduced costs and increase more gross profit. This showing by continuously increasing business profit since 2007 and now the gross profit is 50%

However, the company has reduced material costs without reducing its quality. Which is a very important factor to compete with both domestic competitors and foreign competitors such as China and Indonesia. In addition, cost reduction helps the company in a price compete with more competitors. Therefore, company has more profit from sales.

In addition, the company has a way to reduce material costs by finding new sources of materials and let the supplier to pitch their materials sale which is raise more choices in terms of materials quality and bargaining power. Resulting an effective control of material management.

Finding new sources of diverse materials, good quality, and reasonable price is a way to reduce dependence on one of the distributors, preventing supplier's production capacity insufficiency problem due to the quantity orders from the company, preventing monopoly price issue from distributors. Providing the company with more options on the amount of purchase require materials from many distributors both domestic and international, which the current trade agreements with many countries have greatly reduced the import tax on materials. The procurement of new materials both domestic and international is the way to show potential of the company in material procurement development and helps increase product's diversity and modern as well.

Moreover, the company has studied various innovations including some manufacturing technique on our own to lower materials cost. This can reduce dependency, material monopoly from distributors such as Mould bra, which is the important material in the making of lingerie. At the present the company can produce 90% of the needed amount by ourselves (Our own production in 2014 is only 30%)

Another way to reduce costs is hiring more finished goods manufacturer from outside (Outsourcing) in the easy to sew product group. The machine can substitute skillful workers resulting in low production costs. The company focus on producing complex products that require skills but comes with the high gross profit. In the past recent, the company has continuously increased the proportion of outsourcing and in the future the ability of this type of production will be better and better. This is because the company help giving advice to the contractor coordinate in the form of partners. In order to be able to produce more complex products according to the quality that the company needs, which will result in lower costs and more gross profit.

- **The Productions**

The company's products are divided into collections that cover all groups of all ages and at all price levels. Apart from the production also emphasize on beauty in term of designs, it is also mix with functionality adjust to the different type of the wearer's physiology. The company's underwear feature is when wearing it will be suitable with the shape of the wearer. Which won't be able to see on the outside but inside it will fit the actual physiology of the target customers.

As for the quantity of products to be produced depends on many factors such as forecasting market competition conditions, new product release season, production capacity of each factory and policies from the management department with fundamental factors derived from customer's needs. Furthermore, there are factors in the production format. If the product is divided according to the production pattern, it can be divided into 2 formats which are the product that has the original repetitive pattern production (Basic) and new products or

fashion products (Fashion) The original repetitive pattern product is often used by consumers which will always be produced in the form of product replenishment. This enabling the company to predict production and planning production efficiently by always set the production line to produce in the same way or close enough to increase expertise which resulting in improved production efficiency and more productivity. While there is always new design on fashion product, the original pattern won't be reproduced. Even though new pattern has complex production, but it has better sales revenue and better gross margin.

For products under the trademark of a subsidiary. There will be a product distribution plan every year in order to control production efficiently. Product distribution plan indicates the quantity and type of products that the company must produce each month in order to release as scheduled. The production plan is flexible according to the volume of orders during the year. The central production planning department disperse production volumes to various factories by distributing the product quantity as appropriate for the duration, dividing the type of products according to the suitability of the machine and the expertise of employees in each factory for maximum efficiency in production.

As for OEM products, the company will produce according to customer's order from time to time. That is, no production in advance which customers must order before the date that need the product for a long period of time as follow the customer's product distribution plan. In order to prevent delays production and delivery, the company will distribute the volume of products to be produced to various factories according to the suitability of the production capacity, duration and type of products. The volume of production will be considered along with our own trademarks as well and if customer's order is far more than the remaining production capacity, the company would not accept that order to avoid the damage that could happen to both customer and the company.

Moreover, the company focus on developing other factors that helps increase production efficiency such as human labor development because they are an important factor in the production of ready-made garments. Especially when the product needs details and has a variety of designs. At the present there are employee ability development and product quality test continuously. During production, there will always be quality inspection at every step and encourage employees to produce quality products. Furthermore, there are periodic staff training, depending on the type of new product that needs to be released and the need to increase production skills.

In the past year, the company changed its types of business, including switching from manufacturing underwear to cloth masks, allowing employees to have jobs. The company did not have a policy to terminate the employment of its employees. Also, this helped the company to maintain cash flow, without the need to purchase

---

raw materials of underwear, and no load of finished products due to the closure of stores following the Emergency Decree Policy.

- **Logistics**

The company must produce variety of products to meet the needs of consumer, since the consumer behavior that needs more variety of products. So, there is a need to disperse products to stores to always support the needs of consumer, this is the reason to develop logistics system or taking care of stock inventory in each store to distribute products to the right place, right time with the needs of consumers in each area. The company began to develop the system and computer programs that can check the sale products to have inventory in line with the needs of each store in every store, increasing the chances of selling more products.

Moreover, nowadays online trading has played a greater role with consumers. The company has adjusted the work to be in line with this trend, focus on selling products through online channels more. Which has a good response and must send products to consumers more directly. Therefore, the logistics system is very important resulting in need to adjust the warehouse management system and distribute products to respond to consumer behavior.

In addition, the company has begun to distribute more products to ASEAN which require a system to always check supplier's stock or company's distributor. This is because sending goods to various countries takes time to process the delivery documents and delivery time, in order to store new products at similar period in our country.

- **Pricing**

The product pricing policy can be dividing in 2 ways which are determining the selling price of the product under the trademark of the subsidiary (Sabina) and pricing of products manufactured under the trademark of the manufacturer (OEM) The factors affecting the pricing of these 2 types of products are style, quantity and product market value.

Product prices under the trademark of the subsidiary (Sabina) will use the pricing method as appropriate for the product user. Product price will increase according to the market value and will be similar price as competitor at the same market segment and be able to stay in the competition, this allow consumer to use product at full benefit. At the present, product is in mid-range compare to same product category in the market. The

company does not have a price competition policy against other manufacturer. However, product price might adapt due market strategy of the department store and at any purchase point appropriately.

For OEM product price, the company will select top level customer and apply increase profit margins from production costs pricing policy (Cost Plus) Which the selling price will cover the risk of some foreign currency fluctuations and gross profit from the production of each product, price will vary depends on the type of product and the quantity of products that customers ordered

- **Seeking new business opportunities**

When the ASEAN Economic Community (AEC) is established. It is a good opportunity for the company to expand business line such as importing various ASEAN brands to expand the market in Thailand, which the company has expertise and good relations with leading department stores in Thailand. This is the company's advantage to contact and operate within the connection.

The company has developed and increased the potential in the non-retail sales channel in order to fill the gap in product access because some customers may not be convenient to travel around by the "Twenty-Four Seven" strategy. This is an attempt to encourage customers to access the service 24 hours a day in 7 days by expanding to online platforms, digital TVs and catalogs. Which is easy access to products and helps reducing investment cost on the storefront, the cost of decorate furniture in the shop, no need to pay rent for department stores or various modern trades fair.



## 1.2 Important changes and developments

The following are important changes and development of the company and subsidiaries relating to business operation.



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 Frame, 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.

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

- |                  |  |
|------------------|--|
| <b>Year 2018</b> | <ul style="list-style-type: none"> <li>■ Sabina Public Company Limited Yasothon factory received the Zero Accident Award at the national gold level, year 3 on June 2018</li> <li>■ Sabina Public Company Limited Chainart factory received the outstanding establishment award on safety, occupational safety, occupational health and working Environment on July 1, 2018</li> <li>■ Sabina Public Company Limited Yasothon factory received the certificate for Industrial establishment that operates according to the rules of Environmental governance, August 3, 2018</li> <li>■ Sabina Public Company Limited Yasothon factory received the outstanding establishment award Labor relations and outstanding labor welfare (10 years or more) year 13 on August 23, 2018</li> <li>■ Sabina Fareast Company Limited, Phutthamonthon Sai 5 factory, was awarded with the disease-free workplace, safe for body and mind at national gold level from the Bureau of Occupational and Environmental Diseases year 2018 on December 18, 2018</li> </ul> |
| <b>Year 2019</b> | <ul style="list-style-type: none"> <li>■ 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.</li> <li>■ 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.</li> <li>■ Sabina Public Company Limited, Yasothon Factory received the Excellent Establishment for Health and Hygiene Promotion in the Workplace Annual Award 256-</li> </ul>  |

2019 from the Ministry of Public Health, Department of Health, Center 10, on 7<sup>th</sup> August 2019.

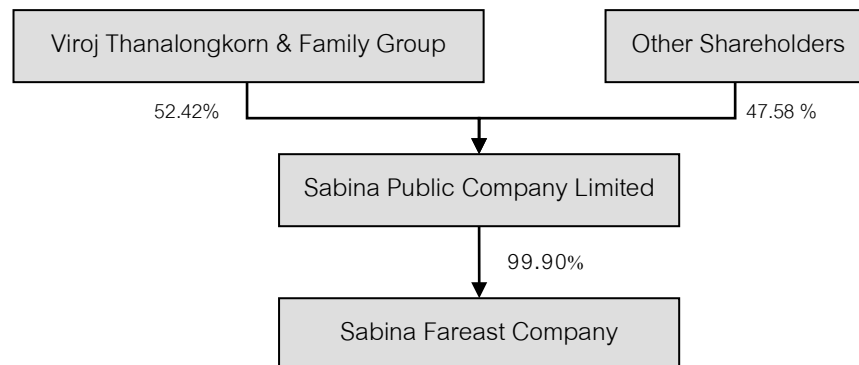
- Sabina Public Company Limited, Yasothon Factory, received the Outstanding Establishment Award for Labor Relations and Labor Welfare (10 years and over) for the 14th year from the Department of Labor Protection and Welfare on 9<sup>th</sup> September 2019.
- Sabina Public Company Limited, Chai Nat Factory, 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 9<sup>th</sup> 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
- 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), 13<sup>th</sup> 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), 11<sup>th</sup> year from the Department of Labor Protection and Welfare on September 28, 2020

### 1.3 Shareholding Structure of the Company Group



Divisions operation of the company policy

#### 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. The nature of business

### 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 %	2018		2019		2020	
			Value	%	Value	%	Value	%
Sale of subsidiary's brandname products	Sabina Fareast Co., Ltd.	99.90%	2,803.04	90.34	2,992.46	90.82	2,669.95	91.63
Sale of OEM products	Sabina Plc.	-	286.80	9.24	287.04	8.71	192.23	6.60
Incomes from provision of service and other sources <sup>1, 2</sup>	Sabina Plc.	-	13.06	0.42	15.46	0.47	51.64	1.77
<b>Total</b>			<b>3,102.90</b>	<b>100.00</b>	<b>3,294.96</b>	<b>100.00</b>	<b>2,913.82</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.

### 2.1 Product characteristics

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:

#### 2.1.1 Products manufactured and sold under the subsidiary company's trademark

Products under the trademark of the subsidiary are divided into 4 categories which are as follows: 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 Moisselle 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.

### 2.1.2 Products manufactured under trademark of customers which are distributors of 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

	Medium (<THB700)	Medium-High(THB700- 1,000)	High(>THB1,000)
Children (4-15 years)			
Teens (15-25 years)			
Young women (25-45 years)			
Women ( > 45 years)			



Products of each group have different strengths such as childhood products, (starting from the age of 6 years old to 12 years old), which are focused on the quality of raw materials that must not cause irritation to the soft skin of children and using the Sabinie cartoon to communicate with children. CoolTeen products are for the age group that starts going to school, coming after Sabinie Collection, focused on using raw materials that is close to baby underwear but will begin to change fabric to be comfortable, easy to maintain with modern beautiful patterns and also began to use the function of underwear to prepare the style for the children that grew up.

Teen products are suitable for young women who grow from childhood to teenagers, those starting from high school age to entering university and starting work, at the age of 15-25 years, when they are becoming girls and paying more attention to how they look. The product model is colorful, indicating happiness and joyful life

**Young to 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 Moisselle, 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.

#### Other product groups

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.

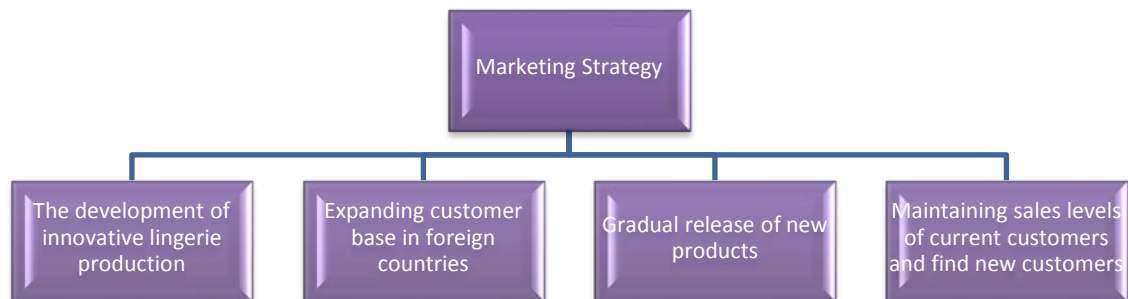
- Soft Collection products are products to which the innovation of Seamless Fit production is applied. They are smooth, comfortable, in beautiful shape, focused especially on seamless comfort.

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.

## 2.2 Marketing and Competition

### 2.2.1 Marketing strategy



- The development of innovative lingerie production

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.

- **Expanding customer base in foreign countries**

The company expands the business by exporting products under the trademark of the subsidiary or Sabina brand to expand to more countries. Especially in the ASEAN Economic Community (AEC: ASIAN ECONOMIC COMMUNITY) which currently appoints distributors and operates 5 countries including Vietnam, Laos, Cambodia, Myanmar and the Philippines. While being discontinued as a distributor in 2 countries, namely Malaysia and Singapore Because the dealer cannot expand the distribution channels according to the goals set by the company As for Brunei And Indonesia is still in the process of implementation. The company still aims to expand the brand Sabina to be known in the ASEAN market. And consumers from abroad Paving the way for making "Sabina" an ASEAN Brand, which causes the company Focus on expanding markets in ASEAN Because consumers in the ASEAN region have physiological differences that are not much different from Thai people Can use the same pattern in production and distribution In addition, the company Also appointed distributors in other countries including the Middle East and Asia such as the United Arab Emirates, Bangladesh, Pakistan etc.

- **Gradual release of new products**

The company has a strategy to distribute lingerie products in new models. Continuous To cover usage in all ages of women Starting at the age of 6 years of age, children should start using underwear to maintain proper and proper form. By dividing all product categories according to the format, i.e. basic products and fashion products that are designed according to popular trends, always leading to fashion Helping consumers to be aware of the modernity and fashion movement at all times. The company has released new Sabina brand products every month. In order to maintain brand loyalty, the marketing department will select the time to sell products to suit the consumer groups in each product, such as Sabinie and Cool Teen products, which are underwear for childhood. Will be marketed before the start of the new semester to allow parents to have time to procure products for their children during the peak demand period.

The company also plans to continuously sell products with new innovations in order to meet customer needs that change according to the new era. For instance, the Soft collection focuses on woven fabrics and seamless bags, while giving high flexibility and texture for a soft and comfortable feel to the skin. Also, the company brings well-known copyrighted products to present as products that customers desire, such as various foreign and domestic copyrighted products that are popular at each time. In particular, the company designs products according to the target groups of those patterns. In 2020, the company collaborated with a famous Thai designer, Juli Baker and Summer, for the Thai Fruit collection last April.



During the school term that was postponed to June, the company has launched a collection under the design of Khun Tin Saeng Tawee in the Daddy and Muscle Academy Collection, which was well received by the target group of adolescents



At the end of the year 2020, the company launched a timeless copyrighted pattern designed by Charles M. Schulz under the Peanuts Collection name to drive sales at the end of the year according to the company's goals.



- Maintaining sales levels of current customers and find new customers

The company is committed to maintain the satisfaction of current customers. We recognize the importance of maintaining a good relationship with every customer. This helps to maintain the level of sales and support of current customers in order to repeatedly purchase and suggest further. The company can take advice and feedback from current customers to adjust for increased efficiency, with an emphasis on producing quality

products that meet the needs of customers, with beautiful product styles of standard quality and punctual services to maintain production orders and sales targets of Sabina's product brand. In addition, the company also emphasizes acquiring new customers by contracting production to expand customer bases from the European region towards Russia, who prefer products with modern designs, good quality, and high prices, to avoid competing with manufacturers in other countries that focus mainly on price competition for the appropriate level of profit margin. For customers within the Sabina brand, the company emphasizes encouraging customers to try the products without worry, and further expands its communication channels for quicker, easier suggestion receipt for implementation towards continuous improvement.

At the same time, the company has adapted channels to access products in accordance with consumer behavior. Which is now turning to online trading more and shopping in shopping centers is not popular in the department store zone Sabina's shop style in the shopping center Therefore focusing on selling in a stand-alone shop in the shopping center rather than being part of the department store zone.

### 2.2.2 Distribution and Selling channels

- **Distribution of products under the subsidiary's trademark**

The company sells underwear under the trademark of local subsidiaries, which is divided into 2 types as follows:

1. The type of over-the-counter sales in department stores, and shops, including the company's own stores, totaling 597 locations nationwide. By selling in this form, most are the consignment sales. Sales staff of the company at the points of sale recommend products and services to customers for mobility and accessibility. Moreover, the company has other points of sale under the company's trademarks in 5 countries: Myanmar, Vietnam, Cambodia, Laos, and the Philippines through distributors with more than 100 points in various department stores.
2. The no-store type includes online selling, catalogs, TV shopping, and automated kiosks to increase sales flexibility, by being able to serve customers anywhere, every day, and at all time, focusing on service, clarity, and variety for customers to choose according to their needs.





- OEM product sales

The company also produces products according to the patterns designed by the company and its subsidiaries, or the customer's own patterns. Most of these customers are major customer groups who are famous for their own brands, including department stores, retail stores, wholesalers or importers, trade representatives, as well as online and catalog owners, both newcomers and self-employment through Direct Catalogs businesses in Europe and the UK. The vast majority of these customers have fostered a long relationship by ordering customized production orders.

#### Sales promotion 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.

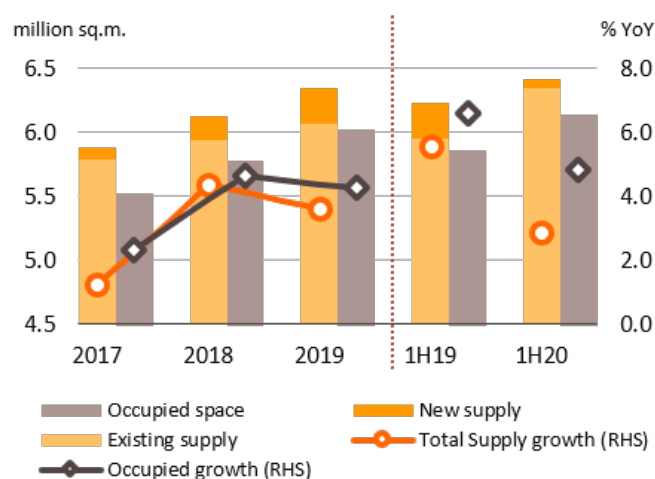
With marketing communication plans, the company has a set of customer groups, starting from product development. This is so that products and media can be easily and appropriately accessible to customer groups. Also, the company adapts current events to the marketing communication through up-to-date 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.

### 2.2.3 Industry conditions and competitive conditions

The large proportion of sales of the company according to the structure still comes from storefront sales, which is directly and mainly affected by the situation of the retail areas. In the first half of 2020, the number of new retail areas barely grew when compared to the same periods over the past several years, which resulted from the COVID-19 pandemic. Meanwhile, sales areas were closed during the period announced by the government to restrict domestic travel, with schedules for opening-closing time of business enterprises, and closing areas for non-essential goods and some shopping centers in the second half of 2020. The situations improved when compared to the first half of the year. This was driven by the government's spending stimulus measures, including (1) measures to help low-income people by increasing purchasing power for government welfare card holders, and (2) tax relief measures, so called "Shop Good – Have Return". In addition, the growth of online commerce and the festive shopping seasons at the end of the year helped to support the retail sector, though in some areas during the 4<sup>th</sup> quarter, problems of unrest caused the closed-down and re-opened situations on some areas for certain periods of time. Customers in big department stores have noticeably decreased in numbers. Meanwhile, some customers changed their purchase behaviors for products towards other options and focused on making purchases in areas near to them.

**Figure 1: Existing and New Supply**



Source: CBRE

Source: <https://www.krungsri.com/th/research/industry/Industry-Horizon/industry-summary-outlook-2021-2023>



The growth trends for each type of business are as follows:

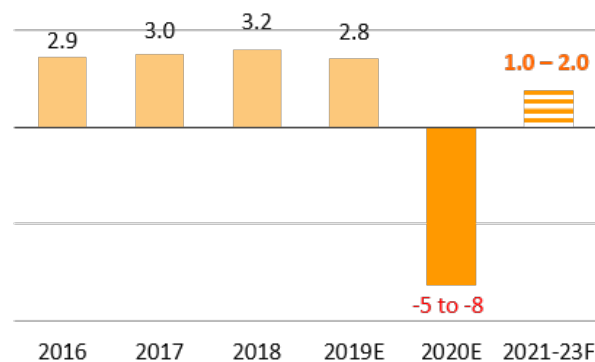
Department stores are expected to grow annually by 1.3-2.6% from a decrease of 8.5% in 2020. The main factor was an improvement in country purchasing power, in which entrepreneurs focused on investing in provinces and foreign countries with potential.

Discount stores are expected to grow annually by 1.0-2.0% from a decrease of 6.6% in 2020. Most customers are middle-income groups or less, and focus on daily life consumer products. However, the price competition among the businesses is still fierce, following the competition with other retailers, such as convenience stores.

Supermarkets are expected for an average annual growth of 1.9-3.8% from a decrease of 6.5% in 2020, driven by the purchasing power of target customers, including middle- to high-income earners.

Convenience stores are expected for an average annual growth of 1.1-2.1% from a decrease of 6.9% in 2020, driven by the branch expansion to cover most areas, with challenging factors that include high competition from e-commerce businesses and high household debts.

**Figure 2: Retail Business Growth (% YoY)**



Source: Thai Retailer Association  
Note: Forecast by Krungsri Research

According to the overview of Thai textile and garment industry during the early year of 2020, many manufacturers and distributors had to temporarily halt their operations, or reduce production capacity, or even close their businesses due to the COVID-19 outbreak. The pandemic has occurred not only in Thailand but also in foreign countries, and it tends to increase steadily. As a result, the export value of textile and garment industry throughout the world decreased by an average of 16.9 percent because the manufacturers canceled of their orders from brands that had to close down their storefronts or department stores. Meanwhile, shipping could not

be delivered within the specified periods, which affected the supply chains in the entire system of textile industry worldwide. This was reflected by the decrease of export-import values of Thai textile and garment industry in the first half of 2020, from January to June, as follows:

- Exports were valued at US\$ 2,856.8 million, down 16.9%, divided into:
  - 1) The textile group (fibers, yarns, fabrics) valued at US\$ 1,780.9 million, down by 18.9%
  - 2) The garment group valued at US\$ 1,075.9 million, down by 13.3%
- Imports were valued at US\$ 2,206.0 million, down 18.6 percent, divided into:
  - 1) The textile group (fibers, yarns, fabrics) valued at US\$ 1,455.2 million, down 21.9%
  - 2) The garment group valued at US\$ 750.8 million, down by 11.5%

#### **Competition in the country**

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.

- **Competition potential**

In a freely competitive market environment both domestic and oversea. Underwear manufacturers and distributors need to always maintain their competitiveness. However, the company's competitive potential when compared to competitors both inside and outside the country can be describes as follows.

**(1) Product quality**

The company focuses on product quality control to meet the standards, starting from selecting high quality raw materials according to OEKO-TEX Standard 100 by using the same standards for products under both the company's own brand, and for contracted producers, known as OEMs, to create customer confidence in the overall products. This is due to the fact that underwear is a product with direct skin contact. Also, the company takes into account the needs of customers as the main consideration for product design and improvement to always meet the needs of customers. The company brings feedback from customers to continually improve and develop products towards new innovations into the market every year.

**(2) Skilled worker with high sewing skill**

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.

**(3) Factory management system and staff preparation**

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.

#### (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.

### 2.3 Product sourcing

#### 2.3.1 Procurement of raw materials

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
2018	81.3
2019	82.0
2020	88.0

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 2020, the proportion of molded sponge production was 87% of all products with sponges.

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










Unit: Million Baht	2018		2019		2020	
	Value	%	Value	%	Value	%
Main raw material	604.76	81.34	623.05	82.02	364.70	79.74
Decorative products	88.51	11.90	83.69	11.02	48.68	10.64
Packaging materials	50.24	6.76	52.93	6.97	44.01	9.62
<b>Total</b>	<b>743.51</b>	<b>100.00</b>	<b>759.66</b>	<b>100.00</b>	<b>457.39</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
2018	62.27
2019	59.25
2020	56.36

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 20% 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		2018		2019		2020	
Unit : Million Baht		Value	%	Value	%	Value	%
Domestic		482.34	79.8%	494.43	79.4%	294.36	80.7%
Foreign							
Hongkong		21.98	3.6%	22.94	3.7%	10.94	3.0%
Korea		14.05	2.3%	13.12	2.1%	4.74	1.3%
China		44.34	7.3%	49.49	7.9%	32.84	9.0%
Taiwan		24.74	4.1%	23.65	3.8%	11.51	3.2%
Italy		4.46	0.7%	5.11	0.8%	1.04	0.3%
Switzerland		0.02	0.1%	0.01	0.0%		
France		0.39	0.1%				
Indonesia		5.02	0.8%	3.73	0.6%	3.66	1.0%
Other		7.42	1.2%	10.56	1.6%	5.60	1.5%
Total foreign		122.42	20.2%	128.61	20.6%	70.34	19.3%
Total Value Purchase of Raw Materials		604.76	100.0%	623.05	100.0%	364.70	100.0%

### 2.3.2 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.

- Procurement of products from its own manufacturing

Currently, the company has 3 factories located in the provinces of Chai Nat, Yasothon, and Buri Ram. The company has a production capacity of 7.4 million pieces per year. Meanwhile, the subsidiaries have 2 factories located in Bangkok and Nakhon Pathom province, with a production capacity of 3.0 million pieces per year. The total production capacity is 10.4 million pieces per year. This production capacity can be increased by approximately 20% from overtime work.

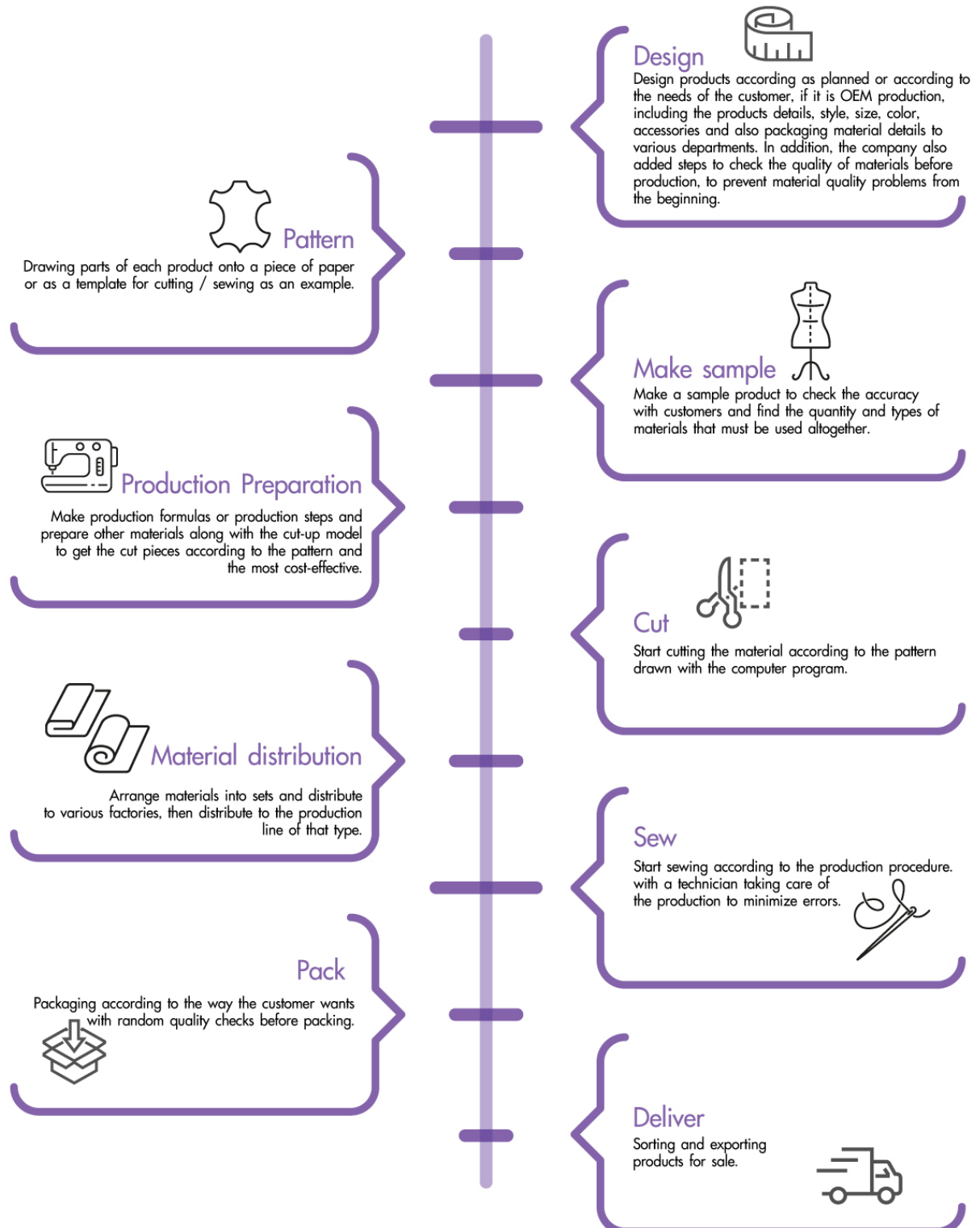
The production capacity of each factory is as follows:

Unit: Million pcs./year *	2018	2019	2020
Phuttamonthon Sai5 Factory			
Maximum Capacity **	1.42	1.67	1.91
Actual Production Volume	1.40	1.54	1.93
Effective Capacity(%)	98.59	92.49	100.95
Thapra Factory			
Maximum Capacity **	2.04	1.76	1.90
Actual Production Volume	1.95	1.77	1.82
Effective Capacity(%)	95.59	100.38	96.10
Chainat Factory			
Maximum Capacity **	2.71	2.61	2.29
Actual Production Volume	2.74	2.45	2.29
Effective Capacity(%)	101.11	93.96	99.88
Yasothon Factory			
Maximum Capacity **	5.26	4.60	6.78
Actual Production Volume	4.73	4.27	6.61
Effective Capacity(%)	89.92	93.00	97.49
Buriram Factory			
Maximum Capacity **	1.40	1.84	1.95
Actual Production Volume	1.35	1.71	1.84
Effective Capacity(%)	96.43	92.84	94.50
Total			
Maximum Capacity **	12.83	12.47	14.83
Actual Production Volume	12.17	11.74	14.49
Effective Capacity(%)	94.86	94.15	97.71

\*\* 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.

- **Procurement of products from hired manufacturing**

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.

### 3. Risk factors

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 that may affect the achieving of objectives and strategies of the company and its subsidiaries must be managed immediately and continuously as follows:
  - Specify the risks fully and punctually.
  - Evaluate the opportunity of risks and impacts in case of any events.
  - Manage risks to be at an acceptable level, with consideration to the appropriateness of overall costs and returns.
  - Follow and regularly make a report on risks to ensure that the risks of the company and its subsidiaries get properly managed.

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	1	4	4
8. Risk from exchange rate	- Real exchange rate compared to the specified rate	2	2	4

**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	2	6
10. Camouflage / spoofing information access by outsiders	- Fire wall Risk Factor	1	3	3

## 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

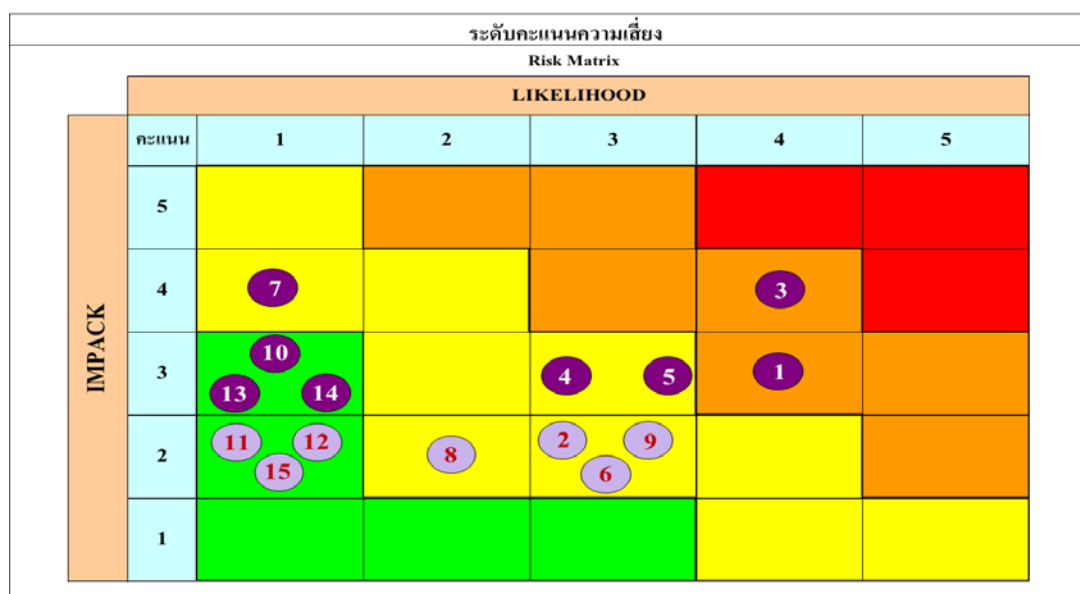
## 6. Social &amp; Environmental Risk

Contents/Risks	KRI / Control	Likelihood	Impact	L x I
13. Negative impacts on society	- No complaints from the surrounding community	1	3	3
14. Negative effects on the environment	- Sewage according to international standards - Ventilation according to international standards	1	3	3

## 7. Compliance Risk

Issues/Risk	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 dependence on income sources**

The company has its revenue from 4 sources, including Retail Business, Non-store Retailing, Sabina Export, and OEM (Original Equipment Manufacturer). The COVID-19 outbreak has affected the sales through the Retail Business and Sabina Export. Nonetheless, this pandemic has led the company to have an opportunity to expand Non-store Retailing, as well as make the production of cloth masks through OEM channel following the crisis of sanitary mask shortage, which can replace the normal production for nearly 3 months. This has been due to the company's risk management, with the distribution of revenue in 2020 according to the policy, strategy, and goals of business.

**Business performance not in accordance with the goals**

This risk is a very high priority. The company therefore reviews the risk indicators in sales and expenditure costs periodically as appropriate to achieve the results according to business goals, as well as adjust from Cost Center to Profit Center and separate various units into Profit & Loss, which lead business operations towards the goals and dividend payment at a rate of not less than 40 percent of the net profit. In the meantime, the company has approved to pay dividends to shareholders at the rate of 100 percent since the year 2017 up to present. In addition, there has been a ratio of debts to the shareholders less than 1.0 all along. In the year 2019, the company reported a DE ratio of 0.62.

**Partner Operations**

The company determines the guidelines for regulating this risk by recruiting the source of raw materials from both domestic and international partners to ensure that there are enough raw materials for production. Also, the company verifies its operations from indicators on the number of partners per each type of raw material, as well as the selection of partners with social and environmental management, respect for human rights, and legal compliance. In the meantime, a summary of raw material delivery of each partner is performed for ranking the company's partners in order to reduce the risks arising from the partner's operations, which may affect the delivery of raw materials.

**Shortage of skilled workers**

It is difficult to recruit workers in the underwear industry due to a requirement for highly sewing skills and training to a sufficient level, unlike workers in other textile industries. Most workers interested in working in factories that do not require a lot of skills and abilities, especially the industries that use modern machinery and technology, which provide equal or greater incomes. Thus, there is a shortage of skilled workers. The company

therefore provides training to develop sewing workers to have a variety of abilities, machinery proficiencies, and work procedures and also determines indicators for this risk as the Multi Skill level. In 2020, Multi Skill increased by 10% from 2019.

**Risk from delayed payment of 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.

**Camouflage / spoofing information access by outsiders**

The advancement of technology and the COVID-19 pandemic are causing the e-commerce business to grow more quickly. This is also an opportunity for the company, and at the same time, leads to a risk of camouflage / spoofing information access by outsiders, which may cause serious damages from such access into the important information of the company, or by scams on financial transactions. The company therefore determines measures to supervise and control this risk by defining the mail name and level of data access of related staff. In addition, all staff must have a password and change it according to the specified period, including checking the mail name and level of data access every year.

**Negative impact on the society**

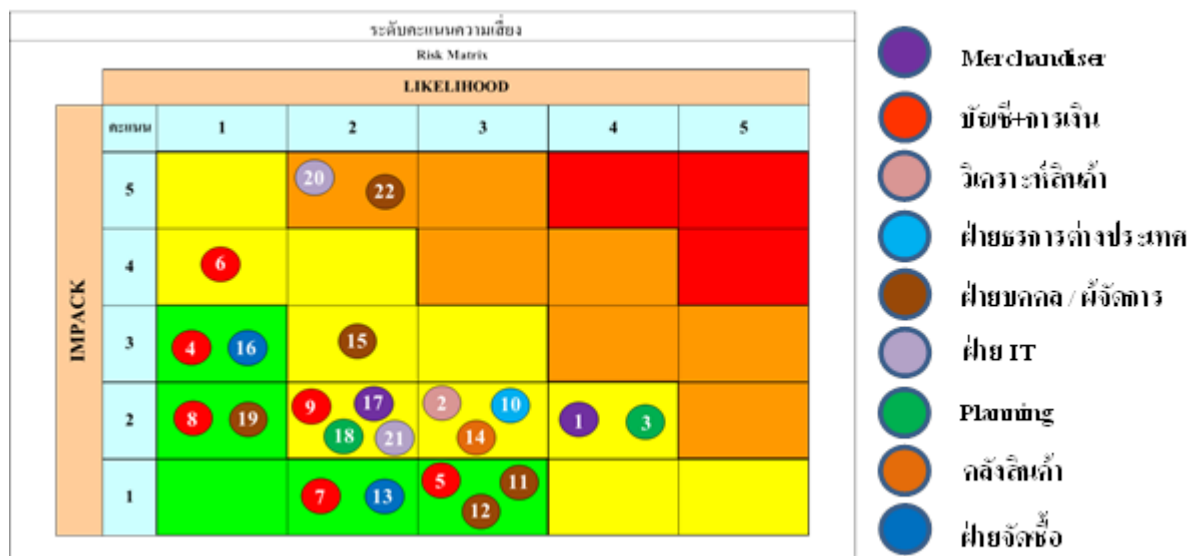
The company determines measures to take care of the surrounding communities that may receive negative effects from the company's operations, such as garbage, traffic, sound, waste water, air, etc. The company explores negative impacts on the community through evaluation survey in order to know and define measures for protection. In 2020, the company received no complaints on those matters from the community.

**Negative effect on the environment**

To prevent negative effects on the environment, such as air, water, etc., the company uses a treatment system and requests a certified agency under international standards to measure the value of air and waste water according to the specified time for confirmation of the company's protection system. In 2020, the value of air and waste water was in accordance with the standards as required by law.

Risk management helps to reduce losses from unexpected situations that do not meet goals, which may also affect the personnel and image of the organization, and at the same time, increases opportunity for the company. In addition to risk management measures, the company is aware of risk management within the organization, which needs cooperation from staff by training on risk management to those that involved to raise

awareness and create risk management culture, specified as 22 internal risk items under the management of the Audit Committee, who provide reports to the Corporate Risk Management Committee.



#### Emerging Risk

The risk of business disruption is resulted from emergencies or uncertainties in the economy, politics, natural disasters, epidemics, and serious events. These uncertainties caused the income and profits, which are dependent on consumer expenditures, various operations, and the company's development plan, to be negatively affected by these external factors that were beyond the company's control. As a result, the company has set a policy and a risk management measure by defining the KRI, Risk Appetite, and Risk Tolerance to monitor and follow the risk periodically, with minimizing the negative impacts on business operations and the company's operating performance from the unexpected events as follows:

1. **Shortage of goods** - It may cause business interruption from the lack of products for sales to consumers. The company takes into account the negative impacts of product shortages by managing multiple channels of product acquisition, either manufacturing its own products or sourcing the products from many countries, while maintaining the standards of products that meet the needs of consumers.

2. **Disruption of sales channels through stores due to various emergencies** - This may result in business disruption from the company's lack of income which then affects business operations. The company manages various sources of income across 4 channels, including Retail Business (in-store sales), Non-Store Retailing (Online sales), Sabina Export, and OEM (Original Equipment Manufacturer). In particular, with online selling channels, the company does not rely too much on a source of income through the storefront sales channel. As a



result, the company is able to overcome the lock down crisis and the closure of department stores, which affected all the storefront sales for 2 months (22 March - 17 May 2020). Also, the good management of risk allowed the company to double the growth through online sales.

**3. Disrupted production by various emergencies** – This may cause a shortage of products and inability to deliver products on time in the OEM sales channel. As a result, the company has prepared a plan and simulate the situations in dealing with various emergencies or unexpected crises effectively, including a plan for the rapid business recovery of the company. Thus, the company was able to go through the disruption of the production at the Sabina plant, Phutthamonthon Sai 5 Branch due to natural disasters ,such as flooding in 2011 for a period of 3-4 months by distributing production to 4 factories that are not affected. The Sabina Factory in Phutthamonthon Sai 5 branch was able to afterwards resume normal production immediately after the water has receded.

#### **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 higher wages

Higher wages affect the production costs and reflect the product prices that are significant for customer purchasing decisions. The company therefore begins to define measures in the development of skilled workers With the Muti Skill method, by switching to machines that use new and highly effective technology, and including the application of management tools such as 5s, Lean, and Kaizen to make higher product quality and lower costs for customer benefit and increased company income.

3. 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.

#### 4. Asset used in 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 31,2018	Dec 31,2019	Dec 31,2020	
<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,	Possess	9.95	9.95	9.95	None

Asset type	Proprietary characteristics	Net book value (THB Mil.) as of			Obligation
		Dec 31,2018	Dec 31,2019	Dec 31,2020	
Bangkok Yai District, Bangkok. Total area of 2 ngan, 37 square wa is the factory location. - 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.	Possess	7.94	7.94	7.94	None
- 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	Land and buildings on the land are mortgaged as collateral for loans from Kasikorn Bank, amount 191.86 million baht.
- 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	

Asset type	Proprietary characteristics	Net book value (THB Mil.) as of			Obligation
		Dec 31,2018	Dec 31,2019	Dec 31,2020	
<b>Building</b>					
<u>Company</u>					
- Factory location, Du Thung Subdistrict, Muang District, Yasothon.	Possess	30.70	24.70	18.78	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	2.00	2.14	1.92	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		1.31	1.20	1.09	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	21.95	25.21	22.11	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	10.80	9.64	8.48	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	7.29	6.86	6.28	None
- Building 93/8 Soi Phetkasem 7, Petchkasem Road, Wat Tha Phra Subdistrict, Bangkok Yai District, Bangkok	Possess	0.87	0.76	0.65	None

Asset type	Proprietary characteristics	Net book value (THB Mil.) as of			Obligation
		Dec 31,2018	Dec 31,2019	Dec 31,2020	
- Building 93/47, Petchkasem Soi 7, Petchkasem Road, Wat Tha Phra Subdistrict, Bangkok Yai District, Bangkok	Possess	1.77	1.55	1.33	None
<b>Machinery and equipment</b>					
<u>Company</u>					
Office equipment	Possess	0.82	0.85	0.64	None
Decoration and installation	Possess	1.04	1.02	0.77	None
Cutting, sewing, textile Machines and other assets.	Possess	27.97	24.14	19.35	None
<u>Subsidiary</u>					
Office equipment	Possess	6.40	5.98	11.99	None
Decoration and installation	Possess	29.67	27.12	28.77	None
Mold stamping machines, cutting, sewing, fabric inspection machines and other assets.	Possess	31.63	28.64	21.00	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	0.39	3.24	2.35	None
<b>Intangible assets</b>					
<u>Company</u>					
Computer programs and software	Possess	-	-	-	None
Program during installation	Possess	1.00	1.04	2.32	None

Asset type	Proprietary characteristics	Net book value (THB Mil.) as of			Obligation
		Dec 31,2018	Dec 31,2019	Dec 31,2020	
<u>Subsidiary</u>					
Computer programs	Possess	6.61	6.65	7.21	None
Program during installation	Possess	1.00	1.05	4.00	None
Deferred leasehold rights	Possess	13.14	8.67	5.14	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, 18	Dec 31, 19	Dec 31, 20		Dec 31, 18	Dec 31, 19	Dec 31, 20
Land	119.01	119.01	119.01	-	119.01	119.01	119.01
Buildings and improvements	328.22	335.08	335.16	20	76.70	72.06	60.64
Machines	302.68	302.56	302.89	10	46.85	39.59	31.90
Tools and equipment	15.57	16.46	16.77	5	2.86	2.96	2.30
Decoration and installation	158.11	167.92	181.41	5	30.72	28.15	29.54
office supplies	56.49	58.92	67.38	5	7.22	6.83	12.63
vehicle	34.18	26.13	21.69	5	1.16	0.82	0.48
Program installation fee and computer programs	34.27	35.50	41.46	3	8.61	8.69	13.53
Other assets	0.96	0.96	0.96	5	0.05	0.03	0.02
Computers and devices	51.87	54.95	57.74	3	8.70	9.40	8.64
Construction in progress	-	-	-	-	-	-	-
Assets under installation	0.39	3.24	2.35	-	0.39	3.24	2.35
Deferred leasehold rights	73.97	73.97	74.28	-	13.14	8.67	5.14
<b>Total</b>	<b>1,175.72</b>	<b>1,194.70</b>	<b>1,221.10</b>		<b>315.41</b>	<b>299.45</b>	<b>286.18</b>

---

**Intangible assets**

The Company and its subsidiary have intangible assets that are important in business operations but did not record the accounting value, i.e., various trademarks which owned by Sabina Far East Company Limited, registered trademarks both domestic and international, namely Sabina, Sabinie, SBN, Moldern Soft by Sabina, Moldern Curve by Sabina and Doomm Doomm, etc. Anyhow, the subsidiary will renew the all trademark both registered domestic and international upon renewal because these trademarks are still important for future trade. The company expects new design products under these trademarks. If the product has a significant different shape and strength, the subsidiary will request to register the new trademark as appropriate. In addition to various trademarks, the subsidiary has applied for a patent for product design and an additional invention patent as well.

At present, the subsidiary rented areas in various commercial buildings, such as Department store, Market Village Shopping Center, Hua Hin and Laemthong Shopping Shopping Plaza, Chonburi and Fashion Island Bangkok Shopping Center, in order to do distribute women's underwear products.

Moreover, the Company recognizes the importance of preventing risks that may occur to the Company's assets. Therefore, the insurance contract has been prepared from all kinds of risks that may occur. Which covers most of the company's fixed assets, with property insurance for every factory, including office property such as buildings and structures, inventory, furniture, machinery and equipment etc.

**Investment policy in subsidiaries**

The company has a policy to invest in related businesses that are similar or beneficial and support the business of the company to strengthen and develop the company's performance, such as increasing production efficiency or reduce production costs, etc. In terms of management policies in such associated companies or subsidiaries, the company will send representatives who are persons with no conflict of interest in business with the company and its subsidiaries, join as a director in that company in the proportion of not less than half of all directors of the subsidiaries in order to closely control the financial policy and operations of subsidiaries.

As of March 16, 2007, the Company invested in Sabina Far East Company Limited by purchasing ordinary shares of Sabina Fareast Company Limited in the proportion of 99.90% of the registered capital.



---

5. Legal dispute

- None –

---

**6. General information and other important information****important 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, Samphran 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, Buriram 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	: 1baht
Securities Registrar	: The Thailand Securities Depository Co., Ltd. (TSD)
Address	: 93 Ratchadaphisek Road, Dindaeng,Dindaeng Bangkok 10400
Telephone	: 02-009-9999

---

Auditor	: Mrs. Natsarak Sarojpanjin or Mr. Chaityuth Aunsuwittya or Ms.Daranee Somkumnerd or Ms.Jarunee Naummea CPA License No. 4563,3885,5007 and 5596
Address	: A.M.T. Associate Office 491/27Silom 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)

## Part 2 Corporate Governance

### 7. Assets and Shareholders Information

#### 7.1 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	

#### 7.2 Shareholders

First 10 major shareholders of Sabina PLC. as on the latest book closing date, 28 August 2020.

Shareholders		
	Number of Shares	Percentage (%)
1. Mr. Viroj Thanalongkorn	161,157,000	46.38
2. STATE STREET EUROPE LIMITED	19,128,974	5.50
3. Miss Pitcha Thanalongkorn	10,501,000	3.02
4. Mr. Atchada Thanalongkorn	10,501,000	3.02
5. Bualuang Long Term Equity Fund	9,997,900	2.88
6. Bualuang Basic Dividend LTF	8,403,500	2.42
7. Mr. Anurak Tangkaravakul	7,803,800	2.25
8. Mr. Chaiyakorn Siriratatsadon	5,420,900	1.56
9. N.C.B. TRUST LIMITED-NORGES BANK	4,187,200	1.20
10. Mr. Vich Maka-apitruk	3,900,000	1.12

#### 7.3 Other securities issuance

-None-

#### 7.4 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

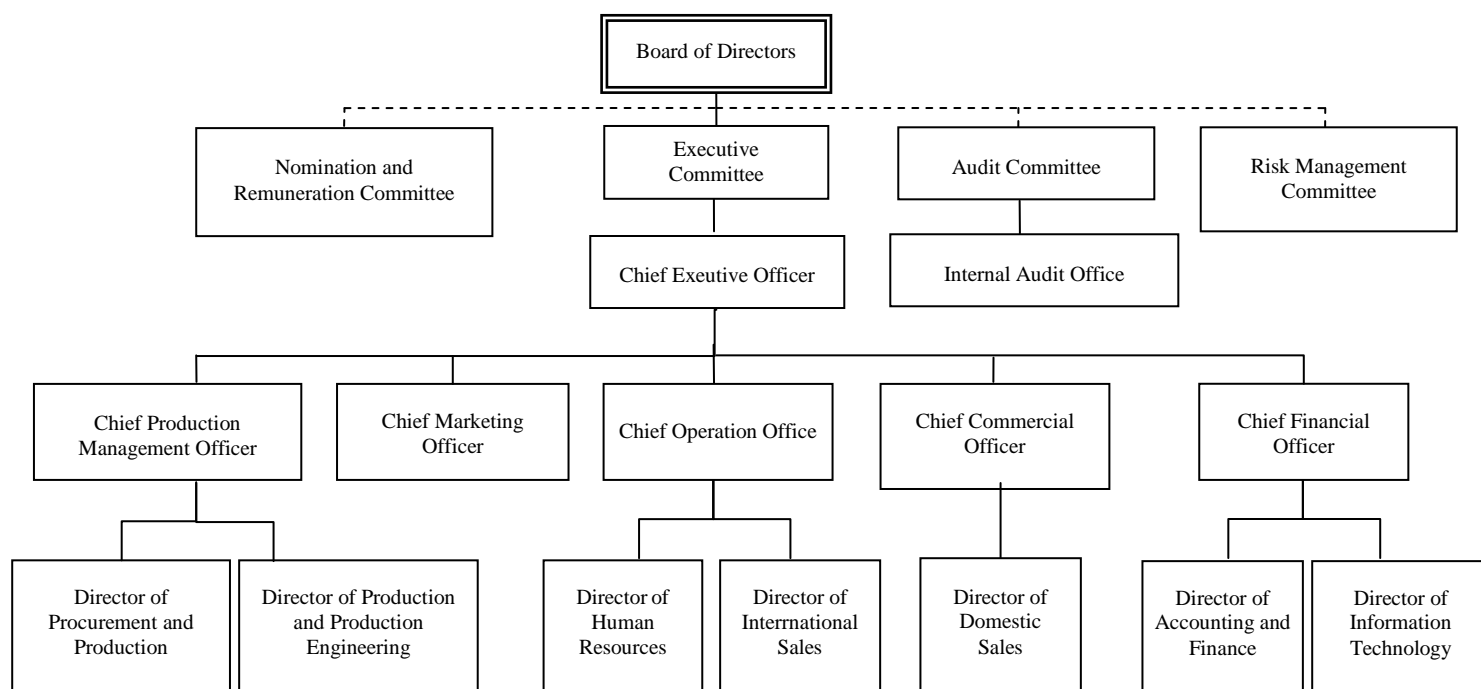
Sabina Co.Ltd.	2020**	2019	2018
Dividend per share (Baht)	0.80	1.19	1.04
Dividend remuneration rate (%) (Overall financial statement)	100.43	100.07	99.95
Dividend remuneration rate (%) (Specific financial statement)	87.48	127.64	149.29

#### Remark

\* 2020 dividend payment - the Board of Directors' meeting passed a resolution to pay interim dividends at the rate of 0.35 baht per share, and on February 19, 2021, the Board of Directors passed a resolution to pay dividends from the retained earnings at the rate of 0.45 baht per share, including dividend payment for the year 2020 equal to 0.80 per share Baht, which will be further proposed to the Annual General Meeting of Shareholders for the year 2021.

## 8. Managerial Structure

Organization Chart



### 8.1 Board of Directors

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.

## Attendance of the Board of Directors and Board committees in meetings

Name	Board Meeting 2020 (Total Meetings / Attendance)				
	Directors 8 times attendance in total	Audit Committee 4 times attendance in total	Managerial Committee 12 times attendance in total	Nomination and Remuneration Committee 2 times attendance in total	Risk Management Committee 2 times attendance in total
Mr. Viroj Thanalongkorn	8/8	-	12/12	-	-
Mr. Bunchai Punturaumporn *	8/8	-	12/12	2/2	-
Mrs. Suchanya Thanalongkorn	8/8	-	-	-	-
Mr. Somkid Pardungkiattisak*	8/8	-	12/12	-	2/2
Ms. Duangdao Mahanavanont *	8/8	-	12/12	-	2/2
Ms. Vachirawan Yamsri	8/8	-	12/12	-	2/2
Ms. Rawewan Peyayopanakul	8/8	4/4	-	2/2	-
Mr. Somchai Vanavit	8/8	4/4	-	2/2	-
Mr. Yuthana Adipath	7/8	4/4	-	2/2	-
Ms. Pensri Suteerasan	8/8	4/4	-	-	2/2
Mr. Chakkris Uthayophas	8/8	-	-	-	-

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

**Remark** - Mr. Yuthana Adipath did not attend the meeting of the Board of Directors and the Audit Committee No. 8/2020 on 15 December 2020 due to personal reason.

**Authorized Directors**

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

**Scope of authority of the Board of Directors**

- 1.) Operate the business according to the rules of laws, objectives and the Company's regulations, as well as the Shareholders' Meeting's resolutions that comply with the laws, with honesty and attention to protect the Company's interests.
- 2.) To set guidelines and operational plans for the management, and to determine the policy of the Executive Committee and the management to be in accordance with the received policy and the regulations of the Stock Exchange of Thailand, except for the following matters, which the Board of Directors must obtain approval from the shareholders' meeting before proceeding. This refers to the matters required by the law to be approved by the shareholders' meeting, such as capital increase, capital decrease, debenture issuance, merger or dissolution of the Company, sales or transfer of business of all companies or some important parts to other persons or the purchase or transfer of other companies' businesses to the Company or merging the business with other persons or juristic persons with the objective to share profit and loss, assigning other persons to manage the business of the Company amendment of the memorandum of association or regulations including related transactions and the purchase and sales of important assets

according to the regulations of the Stock Exchange of Thailand or as prescribed by other government agencies.

- 3.) The Board of Directors may appoint a number of directors and / or executives based on appropriation to be the executive committee by having the authority to manage the Company as assigned by the Board of Directors and the Board of Directors to appoint one executive director as the chairman of the executive board.
- 4.) The Board of Directors may appoint the Managing Director or authorize any other person to operate the business of the Company under the control of the Board of Directors or may authorize such person to have the power as the Board believes appropriate, and within the time that the board deems appropriate, and the Board of Directors may cancel, revoke, change or amend such authority. In case the Board of Directors has authorized the Managing Director or any other person to act on behalf of the business in the normal course of business, such authorization must be in accordance with the resolution of the Board of Directors meeting, with the Independent Directors or the Directors who are members of the Audit Committee attending the meeting, and if the Independent Directors or Directors who are the audit committee oppose the authorization, it must clearly record the approval in the minutes of the meeting. In this regard, such authorization must visibly determine the scope of authority and responsibility of the attorney, and must not have the characteristics of giving power to the authorized person to approve the transaction that he or she or other person may have conflict with, have interest, or may have conflicts of interest in any other manner (according to the Company's regulations and as prescribed by the Office of the Securities and Exchange Commission) with the Company or its subsidiaries except for normal transaction approval with general business conditions.
- 5.) To consider and approve the use of assets or assets of the Company or affiliated companies as insurance or any guarantees that caused the obligation to the Company.
- 6.) To consider and approve investment in business expansion as well as to enter a joint venture with other operators.
- 7.) To consider approving the power of attorney within the Company.

However, for items that the Directors or the authorized person or the person, who may have conflict, have interest, or may have any conflict of interest with the Company or subsidiary to the Company's directors or authorized person with interest in any matter, have no right to vote on that matter.



## 8.2 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

## 8.3 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.

#### 8.4 Remuneration for Directors and Executives

Remuneration for Directors and Executives of year 2020 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.

##### 8.4.1 Financial Reward

In 2020, the Board of Directors and the Executives were remunerated as follows:

Name	2020	
	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	0.20
- Ms. Vachirawan Yamsri	- Remuneration to Director	0.12
	- Reward to Director	0.24

Name	2020	
	Description of payment	Amount (Million Baht)
- 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
Directors & Executive (as Executive)	- Salary, position allowance and fuel allowance, cars, and bonuses.	9.98
	- Remuneration to Director	0.30

In 2020, 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.

#### 8.4.2 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.

### 8.5 Personnel

#### Commitments and Goals

Following the competitive situations that constantly change with evolving economic, social, and technological development and the vision of the company which is confident that **“Employees are the most important and most valuable resources”**, we strive to develop the potential of all personnel on the basis of “Acceptance, Adoption, and Extension” so that they can learn and initiate new things, as well as accept the differences and manage the changes, in line with the recruitment process and development, provision of opportunities, retainment, and personnel successor under appropriate structures and working characteristics, which shall be beneficial for all and increase their competitiveness towards a sustainable growth of both the employees and the organization.

#### Operational goals for the year 2020

The company aimed to develop employees' potential to be a learning organization by requiring for training at least 70% of the total number of employees per year and at least 18 hours / person / year, as well as taking care of all employees to work with happiness and enjoyment, as well as challenge new things in the organization as a second home.

### Concepts for human resource management

Personnel Management	Human Resource Administration	Human Capital Management (HCM)
<ul style="list-style-type: none"> <li>- Manpower planning</li> <li>- Recruitment - Selection</li> <li>- Training</li> <li>- Evaluation</li> <li>- Salary, wages</li> <li>- Labor Relations</li> </ul>	<b>HR Management</b> <ul style="list-style-type: none"> <li>- Analyze and design work</li> <li>- Recruitment - Selection</li> <li>- Manage remuneration and benefits</li> <li>- Labor Relations</li> </ul> <b>HR Development</b> <ul style="list-style-type: none"> <li>- Performance management</li> <li>- Training and development</li> <li>- Relationship management</li> </ul>	<b>Human Capital Management</b> <ul style="list-style-type: none"> <li>- Recruit personnel who can develop themselves in the direction that the organization needs.</li> <li>- Develop potential to build multi-skills.</li> <li>- Enhance knowledge management by executives and supervisor as coaching for self-learning.</li> <li>- Provide welfares and rewards according to the needs on different basis.</li> <li>- Motivate personnel to show their potential by encouraging them to have more self-decision making power.</li> </ul>

For personnel management, the company started with overseeing the Personnel Management (PM) process in the organization and improved the Human Resource Administration, not only performing duties as PM, but also focusing on the strategy for management of each duty in accordance with the requirements of the human resource management. In the year 2020, the company introduced the concept of Human Capital Management (HCM) into an operation, which focuses on the value of people, human rights in the workplace, and employees' care for happiness, enjoyment, and challenging work.

### Human Resource Management Guidelines

#### 1. Recruiting and nurturing new employees

The company realizes the value of employees in the organization. Therefore, it is important to recruit and maintain new employees by defining their qualifications according to job requirements. They must be the personnel who eager to learn and develop themselves towards the direction of the organization, on the basis of technology integration and the development of online channels to announce job positions through the company's

website and other job recruitments through Line and Facebook. In addition, the job recruitment is carried out through the “friend invites friend” project, together with the test and interview process improvement in order to get the personnel with the potential according to requirements.



Table shows the statistics of recruiting employees in various channels of the company in the year 2020

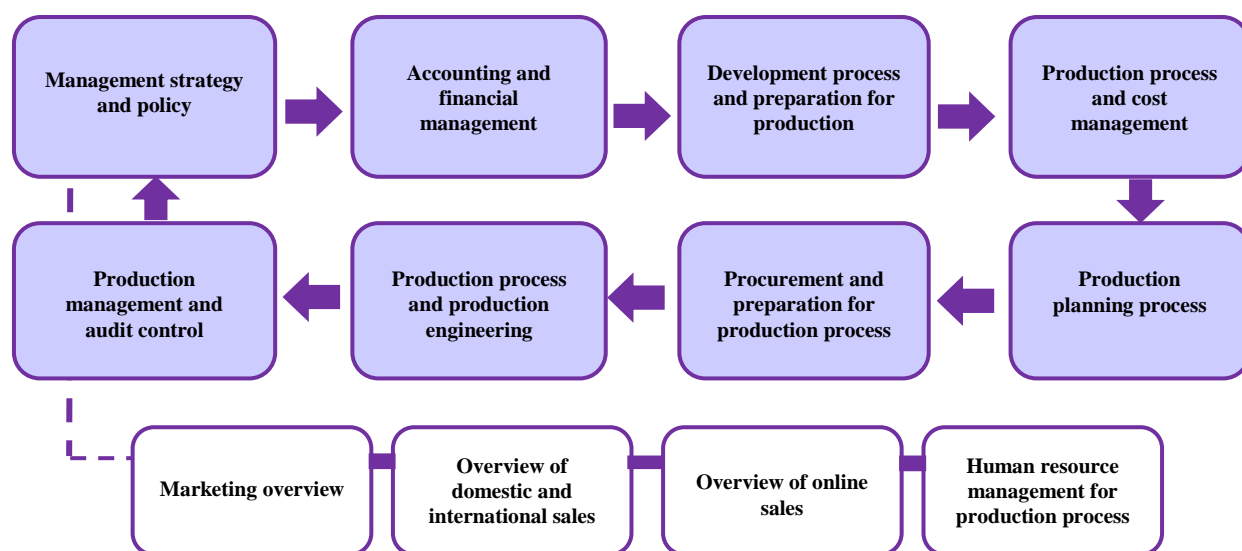
Staff group	Channels for employees to apply and be considered as employees			Total
	Online	Friend invites friend	walk in	
Monthly	7	3	3	13
Daily	0	22	5	27
Salesperson	61	45	10	116
Total	68	70	18	156
	44%	45%	11%	100%

The company has a policy to set up appropriate wages relevant to the managerial labor market, as well as organize the learning for new employees on the job training to understand the essential skills at work through their real experience with the experienced people to make them ready to work.

## 2. Development and empowerment of employees

To create learning opportunities and promote the employees to develop their own potential to meet the needs of the organization and have the ability to communicate at work, with a driving force towards corporate success, the company organizes a learning process through various training programs in accordance with the line of duties and responsibility, as well as the economic and social situation. Also, there is a so called learning of “Our Overall Business” under the “Production Learning Program” for employees in the research and product

development, procurement, and cost management groups, as well as the OEM teamwork to gain a comprehensive overview of the business and manufacturing processes for further application.



The company is committed to continually organize the training for its employees though under the limitations of COVID-19 pandemic. However, the epidemic enables the company to apply technology and communication channels through online platforms, such as Facebook, Line, Google Forms, and proactive learning through sub-group meetings, as well as on the job training in replace of the in-room training which takes a long time and at risk during the epidemic crisis. To achieve the goal of promoting and developing employees' skills in a comprehensive manner, the company surveys the training needs of different departments, which is an important factor for the achievements of the employees and the organization as follows:

#### Survey of Training Needs 2020 for supervisors and departments in the company

Work Unit	Course	Total
Middle and senior management	Design Thinking for Leaders	23
Junior management	Effective Administration and Personnel Management	42
Domestic sales	Basic and Advanced Sales Management	935
Online sales	Sales Techniques and Writing-Answer via Social Media	57

#### Survey of Training Needs 2020 for the Work Passport

Factory	course SN	course DN	course ZZ	course OL	course IL	course TK
Phutthamonthon Sai 5	63%	60%	61%	64%	59%	55%
Thaphra	59%	60%	64%	52%	53%	55%
Chainat	55%	47%	47%	61%	44%	53%
Yasothon	71%	65%	66%	62%	56%	49%
Buriram	49%	48%	49%	46%	40%	51%

The company sets up training plans of 50 different courses from the needs survey for various units as follows:

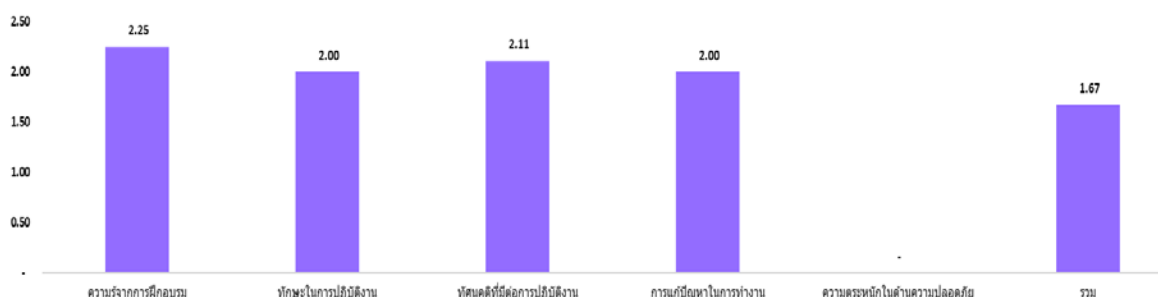
Staff group	Objective	Course example
Executives	Focus on creating a vision, designing an idea, and having a business strategy of the organization in the midst of competitions and changes with creativeness and transformation towards an inspiration to all levels of employees.	Design Thinking for Leaders course, Corporate Governance for Executives CGE, McKinsey Management Program (MMP), Corporate Innovation Bootcamp Through Design Thinking.
Executive staffs	Focus on building knowledge in administration and personnel management to achieve the objectives by promoting a good teamwork and supporting a communication for the integrative work among business lines with flexibility.	Effective administration and personnel management course, New ways of communication for interpersonal understanding, Sharing of work experience and management methods in each department.
Operational staffs	<b>Management and Administration</b> Focus on reviewing knowledge on the performance of each line to create a method of management as standards through a training with the exchange of ideas and follow up on the performance of supervisor, standard training and management according to the accounting profession with program applications and online operational skills to support the changing of working lifestyles, as well as enhance the skills and knowledge on anti-corruption practice for all employees.	Facebook Marketing course, Line official account, Facebook advertising MS-700T00, Managing Microsoft Teams 10997, Office 365 Administration and Troubleshooting, and Anti-Corruption the Practical Guide (ACPG) course.
	<b>Production line and warehouse</b> Focus on skills development to support a variety of quality work processes and safety for operators to enable them to perform work in all areas and support the working lifestyles that rapidly change with the evolving social, economic and technological development, as well as creating the highest value and reducing wastes in operations.	Work Passport course, Optimization with Reducing Losses from Model Change and losses from machinery course, Warehouse work skills development course.
	<b>Design, research and product development</b> Focus on the development and promotion of creativity and survey of consumer needs from real users to design a prototype and present as the pitching for the creation of real sales products of the company, with developing managerial skills and products, learning on procurement and management of integrative raw materials through real experience of experts from each relevant department as a standard model for application in creating products.	Creative Skills Development Course to meet the needs of consumers (IDEATE CLASS), creating a track and production inspection for quality products, procurement skills and the import of raw materials and products for manufacturing in accordance with high standards.
	<b>Sales person</b> Focus on building knowledge in the product group, as well as service skills and sales according to the company's standards to make the best impression and promote communication skills for salespeople via online channels to comply and support the consumer behaviors today.	Course in basic and advanced sales management, Learning of products and consumer needs, Sales Techniques and Writing-Answer via Social media

Note: Information is disclosed in accordance with the GRI 404-2 Framework, Employee Skill Enhancement and Change Assistance Program.



All training courses shall be assessed according to the method of the Department of Skill Development in 5 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 5 dimensions



(From the scoring: very good = 3, good = 2, fair = 1 to be improved = 0)

Table shows number of employees with training in all courses of the company for the year 2020




			
Number of employees	3,346	622	3,968
Employees who attended the training	3,346	622	3,968
Percentage	100	100	100

Table shows number of training hours per person of employees in 2018-2020




Staff group	Number of training hours per person		
	Year 2018	Year 2019	Year 2020
Executives	20	20	20
Executive staffs	30	35	20
Operation staffs and sales staffs	30	30	15

Note: Information is disclosed according to the GRI 404-1 framework, average annual training hours per employee.

Although the company was able to achieve the training goals of not less than 70 percent. However, the training hours could only be done for 15 hours / person due to the COVID-19 crisis, which shall be compensated in the next year training.




### 3. Opportunity creation, career advancement, and development of successors in key positions

The company supports the self-development training and empowerment of all employees. This is to enhance the working efficiency and create the opportunities to learn, improve, change, and develop for equal employee advancement without limitations of gender, beliefs, race, and religion. Also, there is a concrete evaluation, in line with the promotion to be considered once in January of every year. Therefore, it is important to measure and evaluate results fairly to assess the capabilities of employees in each line of work. As a result, the opportunities for promotion and job advancement have been provided to 11 employees, accounting for 12% of the total number of executives and managers.

Position adjustment for the year 2020			
Staffs with position adjustment	8	3	11

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

The company realizes that there is 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:

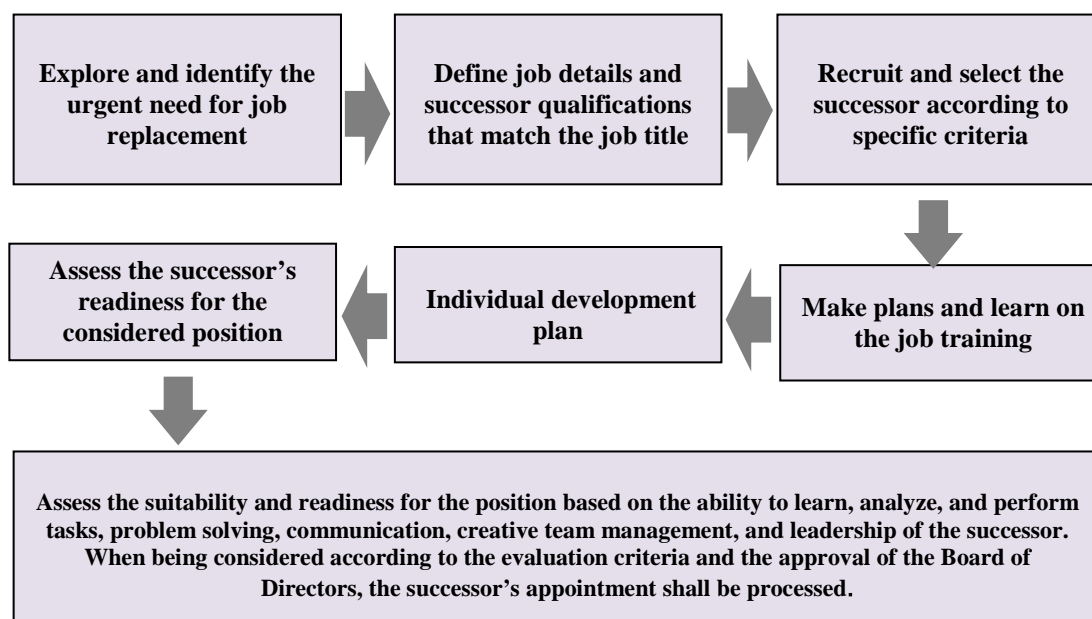
Position			
Executive	3	3	6
Department Manager	4	3	7
Manager	19	3	22
Department Manager	49	10	59
Total	75	19	94

In addition, the company also provides an opportunity for employees to report their intention to move towards a job position that is important, with new skills to enable their potential of career advancement. In the past year, the company provided opportunities for voluntary transfers from employees of various departments to work in the online section, which has grown significantly under the work structure that allows them to do their performance in a timely manner.

In addition, the company also has a plan to develop successors in key positions. This plan is a joint cooperation between the executives and the Human Resources Department, which assigns managers and employees in key positions with the age of 48 years and over to participate in the successor planning and preparation project according to the criteria as follows:

criteria	conditions	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 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 27 persons of managers and employees in key positions aged 48 years and over participating in the successor planning and preparation project.

#### 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 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.





Number of employees (person)	December 31, 2020	December 31, 2019	December 31, 2018
Salary and Bonus (million baht)	635.86	758.61	759.44

#### Welfare, vacation, and leave

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

Category Vacation / Leave	Tradition holidays	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

**สวัสดิการวันหยุดและวันลาประจำปี**

 <b>วันหยุดประเพณี 13 วัน</b>	 <b>ลาป่วย 30 วัน</b>	 <b>ลากิจ 5 วัน</b>	 <b>ลาพักผ่อน 6 วัน</b>
 <b>ลาคลอด 98 วัน</b>	 <b>ลาสมรส 5 วัน</b>	 <b>ลาฌาปนกิจ 5 วัน</b>	 <b>ลาปฏิบัติธรรม 3 วัน</b>

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

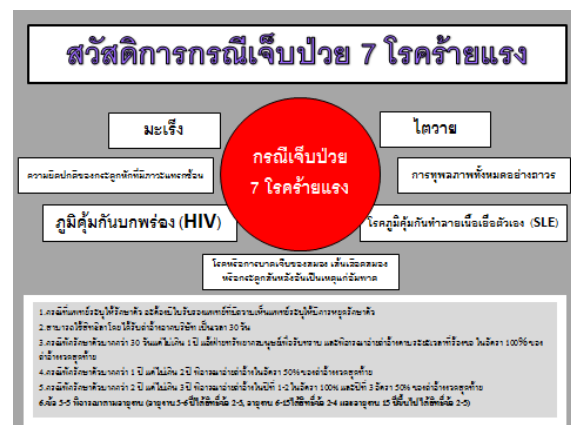
### Additional benefits beyond the law

- Provident fund for employees
- Accident insurance for employees who work outside the company
- Medical expenses for sickness and dental treatment
- Welfare for 7 severe illnesses
- Assistance in the event of disasters
- Financial assistance in the event of an employee's death
- Financial assistance in case of husband or wife, child, parent death
- Interest-free emergency loans for employees
- Special interest of housing loans with leading banks
- Other miscellaneous types of welfare
- Buying the company's products at a special price



The company provides assistance to employees who suffer from serious illness, which result 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 get paid for the period of treatment and recovery, on the basis of their duration 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, 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 certifying the doctor's opinion to take a break or leave for treatment. Employees are entitled to paid leave at the rate of 50-100% of the final wage prior to treatment, and for a maximum period of 3 years (conditions based on the employee's age) in case that the employees cannot return to work normally, which the company shall consider as special benefits and additional allowances to employees.

#### Provident fund

The company has established a provident fund since 2005 for the welfare and well-being stability of employees after retirement. Employees with a minimum of 1 year of work can apply for participation voluntarily, at the 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 voluntary, age, and readiness of the employees. Currently, there are 2,161 members in the provident fund, representing 64.97% of the eligible participants. The funds are detailed as follows:

branch	Employees' Provident Fund Participation Information		
	Number of people eligible to participate	members	Accounted for %
Office	251	217	86.45
Sale person	775	435	56.13
Thaphra	211	175	82.94
Sai 5	634	281	44.32
Chainat	477	401	84.07
Yasothon	784	522	66.58
Buriram	194	130	67.01
<b>Total</b>	<b>3,326</b>	<b>2,161</b>	<b>64.97</b>

#### 5. Employee care and engagement

Following the commitment to provide employees with happiness, enjoyment, and challenges of new experiences in the company as a second home, the company operates and organizes activities to build good relations among employees and work together for the communities and the society during holiday events, festivals, traditions, religious days, sport days, 5S activities, charities etc. 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 15 years in the Yasothon factory, followed by 13 years in Thaphra branch factory, and 11 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.



สมุดสะสมแต้ม

สินค้า ของรางวัล



To create engagement between employees and the organization, the company encourages 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 to support their sense of leadership by assigning them with appropriate decision-making and communication. There is a publicity of news, situations of the organization at all time to create an environment and drive towards various activities of the organization.

In the wake of economic downturn and the COVID-19 crisis, the company also puts a great emphasis on the care of employees with no plans to lay off, reduce work days, pay cuts, and lower welfare. The company has assessed the outbreak with consideration to set guidelines for the operations in every unit of the office, such as Work From Home. While in the factory, the company establishes a campaign for employees to wear face masks all the time, regularly wash their hands, and have spacing between people. The company identifies additional measures for prevention as follows:

- Survey information and travel of employees to exclude those at risk (including those with pregnancy) to perform Work From Home and use video conferencing to avoid traveling.
- Adjust the time to leave the office from work faster to reduce the risk of congestion during rush hours, as well as divide lunch break into 2-3 rounds to reduce congestion while taking lunch breaks.
- Establish specific measures to control the risks of employees by refraining them from joining in groups, traveling across provinces, as well as the detention measures for 7-14 days in case of their traveling across the provinces.
- Screening employees and third parties who must enter the enterprise by measuring the temperature with general symptoms.
- Provide the alcohol gel or hand sanitizer at the entrance-exit screening area and clean up the areas, such as handrail, knobs, wash basins, and bathroom, with cleaning liquid regularly.
- Communicate on the epidemic situations and the knowledge of self-prevention and not sharing personal belongings with others.





From those measures, the company has a low rate of employee turnover at 15.76%, as details shown below.

Branch	Employee turnover rate					
	Year 2018		Year 2019		Year 2020	
	Male	female	Male	female	Male	female
Head office	35		24		21	
Sai 5	282		236		173	
Thaphra	118		97		77	
Chainat	267		173		87	
Yasothon	162		197		118	
Buriram	151		53		53	
Sale person	191		154		135	
Total (person)	1,206		934		664	
Turnover rate (percent)	28.09		20.68		15.76	

Note: Information is disclosed under GRI 401-1 Framework of hiring and turnover staffs.

## 6. Cultivation corporate culture

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

Increase	Reduce
Satisfaction	Compare
Positive view	Native view
Disadvantage (learn about being taken disadvantage)	Taking advantage
Mindfulness (consider yourself first)	Look at other wrong first



This results in a 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 trials and errors. 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 2020, there were 40 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 (person)		
	Year 2018	Year 2019	Year 2020
Business Administration	10	12	10
Product Development	7	3	5
Production line and warehouse	20	14	25
<b>Total</b>	<b>37</b>	<b>29</b>	<b>40</b>

In addition, the company has been selected as a training facility for government officials in the Public Service Executive Development Program (PSEDP), Office of the Public Sector Development Commission under the Office of the Prime Minister, which recruits and selects the personnel with knowledge, capabilities, and high performance towards the goal of leading the change in government agencies for ability to be a visionary thinker, developer, planner, and operator with a balance, in terms of academic thinking and organizational management, as a place for the experience of the PSEDP from 2019 to present.

## 7. Labor practice and Human rights respect

The company accepts employee 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 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
Retirement	9 months

Note: Information is disclosed in accordance with GRI 402-1 Framework of the minimum notification period on operational changes.

## Personnel Information of the year 2018-2019-2020

Total number of employees classified by level

Branch	Number of employees (person)					
	Year 2018		Year 2019		Year 2020	
	Male	female	Male	female	Male	female
Senior management	6	7	6	7	6	7
Middle management	4	18	3	19	3	18
Junior management	9	42	12	42	12	45
Monthly employee	246	1588	233	1624	230	1580
Daily employee	475	2177	488	2056	395	1808
Total (Person)	740	3831	742	3747	646	3457

Note: Information is disclosed in accordance with GRI 405-1 Framework of unit Diversity supervisory work and staffs.

Factory	Female staff	Maternity leave		Come back to work	
		Total	%	Total	%
Head Office	307	6	1.95	6	1.95
Sai 5	434	21	4.84	21	4.84
Thaphra	207	3	1.45	2	0.97
Chainat	390	4	1.03	-	-
Yasothon	765	15	1.96	15	1.96
Buriram	180	7	3.89	7	3.89
Sale person	1,106	45	4.07	37	3.35
Total	3,389	101	2.98	88	2.60

Note: Information is disclosed in accordance with GRI 401-3 Framework of maternity leave.

Factory	Provident fund	Medical expenses	Emergency Loan / Aunjai Fund	Special allowance	
				Employees and families	Disaster
Head Office	2,302,043	604,089	348,000	44,500	-
Sai 5		119,344	507,000	143,100	-
Thaphra	400,068	119,722	462,000	85,140	-
Chainat	435,401	163,132	540,000	111,580	-
Yasothon	1,248,103	544,691	456,000	260,232	1,800
Buriram	224,211	23,430	562,000	36,566	-
Sale person	1,534,869	335,896	206,000	160,277	-
<b>Total</b>		<b>1,910,304</b>	<b>3,081,000</b>	<b>841,395</b>	<b>1,800</b>

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

## 9. Corporate Governance

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 and 2020, 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.

### 9.1 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 25 October 2019, which is from 25 October to 31 December 2019.

### 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.

### 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 (in accordance with 10. Social Responsibility Topic (CSR) and Attachmet 5 Sustainability Report).

### 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 2020, 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) Financial assistance was specially given to salespersons who worked in the closed-down department stores due to the COVID-19.
  - 3) There was a fund for employees to borrow without interest.
  - 4) 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.

- 5) 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 shareholders' meeting was postponed, but the company paid dividends as usual by changing from annual dividend payment to interim dividend payment instead.
  - 2) 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.
5. The company was involved in helping the communities or the society from the COVID-19 pandemic such as:
  - 1) Face masks were donated to hospitals, public organizations, government agencies, etc.

## **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 10. Corporate Social Responsibility (CSR) topic and Attachmet 5 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 10. Corporate Social Responsibility (CSR) topic and Attachmet 5 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 according to the topic of inter-item item 12).

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.

##### 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                         | : | 4  | Times |
| - Opportunity Day                  | : | 4  | Times |
| - Company Visit                    | : | 20 | Times |
| - Analyst Meeting                  | : | 1  | Times |
| - Newsletter performance Company's | : | 37 | 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 2020 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".

#### **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 2020. 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 (as detailed in the topic related 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 2020 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 2020 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 2020, 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) 2020 - Current analysis course, know the future through Financial Statements (NYC Management Co., Ltd.)
Ms.Duangdao Mahanavanont	Director and Risk Management Committee	- Corporate Governance for Executive (CGE:16/2020)

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.

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 2020

Rank	Name-Surname	Position	Amount of shares on December 31, 2019	Shares changing	Amount of shares on December 31, 2020	Shareholding ratio(%)
1	Mr. Viroj Thanalongkorn	Chairman	160,207,000	950,000	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 2020

Rank	Name-Surname	Position	Amount of shares on December 31, 2019	Shares changing	Amount of shares on December 31, 2020	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		-	-	-	-

## 9.2 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.

### 9.2.1 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.

### 9.2.2. 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.

### 9.2.3 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.

#### 9.2.4 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 Padungkiattisak 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

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

#### 9.3.1 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

**9.3.2 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

#### **9.4 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

#### **9.5 Policy and approach to supervise the use of inside information**

As shown in Subject 9.1 Corporate Governance Policy

## 9.6 Audit fee

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 2020 appointed Mrs. Nattsaruk Sarojnanchin or Mr. Chaiyuth Angsuwittaya or Ms.Daranee Somkomnerd or Ms.Jarunee Naummea Certified Public Accountant No. 4563,3885,5007 and 5596, 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	
	2020	2019
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 2020, 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.

### 9.7 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.

## 10. Corporate social responsibility (CSR)

### Policy overview

The company has adopted the principle of “Sustainability Development” as an important strategy in business operations. The analyzing of impacts and creating values are performed with a balance in 3 dimensions, namely, economics, society, and environment under the principles of good corporate governance (CG) in the business process. These are integrated as a link throughout the business chain, starting from resource utilization, production, warehouse management and logistics, distribution to consumers, and after-sales product management.

### Vision of social responsibility

The company is a sustainable organization to promote economic, social, and environmental development based on the participation, beliefs, and mutual trust of all stakeholders.

### Policy of Corporate Social Responsibility

The company commits to producing quality products that are safe for consumers, with responsibilities for the impacts arising from the operations of the organization in various fields to all groups of stakeholders. Also, the company adheres to business principles that are transparent, verifiable, ethical, respectful to human rights, stakeholders' benefits, obligations to law, and other requirements or relevant international practices to create a foundation of social responsibility continuously and sustainably.

### Operations and Reports

The company has disclosed its operations that reflect social and environmental responsibilities in the year 2020 Sustainability Development Report (details in Attachment 5).

### Business operations that affect social responsibility

1. The company and its subsidiaries are not audited or in the process of being investigated by the competent authority that the operations of the company or its subsidiaries have violated the law regarding the 8 principles of good corporate governance with significance.

2. The company's business operations and its subsidiaries are not involved or accused for having negative impacts on the society and the environment, in accordance with the 8 principles of good corporate governance, especially as appearing in the public news that may affect the business operation and reputation or credibility of the company as well as its subsidiaries with significance.

**Activities for the benefits of society and environment**

(Details in Attachment 5, Sustainability Report)

**Additional Guidelines on Prevention of Corruption Involvement**

Details in item 9, Good Corporate Governance (Section 3, Role of Stakeholders, Anti-Corruption and Bribery for Business), and Attachment 5: Sustainability Report.

## 11. 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. 1/2021 dated February 19<sup>th</sup>, 2021, 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.

In Meeting of Audit Committee dated February 23<sup>rd</sup>, 2017, the Committee appointed Mr. Sampan Puipiom 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.

## 12. Related party transactions

### 12.1 Details of related party transactions between the company, its subsidiaries and persons with possible conflict

In 2020, Sabina Public Company Limited and Sabina Fareast Company Limited had related party transactions which may result in conflict of interest, some of which were disclosed by auditors in the Notes to Financial Statement 2020. Details of related party transactions categorized by nature of transactions are shown as follows:

Related companies	Nature of relationship	Nature of transaction	Amount (Million baht)	Opinion of Audit Committee/ Necessity and reasonableness of the transactions
Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Purchase material, such as fabric, lace, and rubber	19.77	<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	-	





Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Sell finished goods	569.25	<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.</p>
		Sell material	-	



Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Revenue from undergarment sewing service	59.23	<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 Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Cost of Undergarment cutting	13.68	<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>
Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Rental fee	0.23	<p>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.</p> <p><u>Opinion of Audit Committee:</u> The transaction is considered a normal rental transaction having market rate as reference.</p>



Sabina Fareast Company Limited	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 Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Dividend	244.80	The company received dividends from Sabina Fareast Company Limited.
Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Account receivables	332.74	Payment condition is similar to normal, non-related account receivables of Sabina Public Company Limited
		Account payables	4.34	Payment condition is similar to normal, non-related account payables of Sabina Public Company Limited  <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.

Related companies	Nature of relationship	Nature of transaction	Amount (Million baht)	Opinion of Audit Committee/ Necessity and reasonableness of the transactions
Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Interest income	4.18	Interest income arose from the company's lending to Sabina Fareast Company Limited with interest rate of 3.00-5.00 % per annum, which is higher than fixed deposit rate offered by commercial banks.
Sabina Fareast Company Limited	Subsidiary, in which Sabina Public Company Limited holds 99.90% of its shares	Borrowing	125	The company had excess liquidity so it lent to Sabina Fareast Company Limited to repay the loans with other financial institutions.

## 12.2 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.

## 12.3 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 Performance and Financial Status

### 13. Financial Information

#### 13.1 Financial Statements

##### 13.1.1 Audit Opinion

###### Consolidated and Separate Financial Statements for the year ended December 31, 2020

Auditor : Mrs.Natsarak Sarochanunjeen Certified Public Accountant Registration No.4563

##### **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, 2020, 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, 2020, 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 2.5 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 19, 2021

SABINA PUBLIC COMPANY LIMITED  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020

(Unit: Thousand Baht)

	Consolidated Financial Statement					
	2018 (Audit)		2019 (Audit)		2020 (Audit)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	60,416	2.32	65,147	2.16	62,882	2.24
Trade receivables and other current receivables						
Trade receivable - net						
- Related parties	-		-		-	
- Other parties	402,270	15.46	417,415	13.83	399,357	14.24
Other receivables						
- Other parties	63,310	2.43	74,225	2.46	36,953	1.32
Short-term loan to related party	-		-		-	
Inventories - net	1,117,503	42.95	1,563,788	51.82	1,403,951	50.07
Other current financial assets	298,972	11.49	177,945	5.90	161,959	5.78
Other current assets						
-Prepaid output VAT	84,540	3.25	105,104	3.48	93,865	3.35
-Others	2,022	0.08	3,434	0.11	3,699	0.13
<b>Total current assets</b>	<b>2,029,033</b>	<b>77.98</b>	<b>2,407,058</b>	<b>79.76</b>	<b>2,162,666</b>	<b>77.13</b>
<b>NON-CURRENT ASSETS</b>						
Investment in subsidiary company	-		-		-	
Other non-current financial assets	5,000	0.19	5,000	0.17	5,000	0.18
Property, plant and equipment - net	293,663	11.29	282,087	9.35	267,505	9.54
Intangible asset	8,609	0.33	8,690	0.29	13,534	0.48
Assets usage rights	13,141	0.51	8,672	0.29	63,947	2.28
Deferred tax assets	205,691	7.91	257,694	8.54	241,099	8.60
Others non-current assets						
Deposit	46,885	1.80	48,706	1.61	50,190	1.79
<b>Total non-current assets</b>	<b>572,989</b>	<b>22.02</b>	<b>610,849</b>	<b>20.24</b>	<b>641,275</b>	<b>22.87</b>
<b>Total Assets</b>	<b>2,602,022</b>	<b>100.00</b>	<b>3,017,907</b>	<b>100.00</b>	<b>2,803,941</b>	<b>100.00</b>

SABINA PUBLIC COMPANY LIMITED  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020

(Unit: Thousand Baht)

	Consolidated Financial Statement					
	2018 (Audit)		2019 (Audit)		2020 (Audit)	
	Amount	%	Amount	%	Amount	%
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Bank overdrafts and short-term loans from financial institutions	156,163	6.00	565,068	18.72	558,821	19.93
Trade payables and other current payables						
Trade payable						
- related parties	-		-		-	
- other parties	184,243	7.08	170,145	5.64	108,169	3.86
Other payables	225,069	8.65	196,388	6.51	104,573	3.73
Finance lease liabilities - Assets usage rights	-		-		36,152	1.29
- current portion of - Assets usage rights						
Accrued income tax	77,367	2.97	82,020	2.72	11,104	0.40
Revenue Department	21,635	0.83	20,962	0.69	33,964	1.21
<b>Total current liabilities</b>	<b>664,477</b>	<b>25.54</b>	<b>1,034,583</b>	<b>34.28</b>	<b>852,783</b>	<b>30.41</b>
<b>NON-CURRENT LIABILITIES</b>						
Liabilities under lease agreements-Asset usage rights	-		-		23,578	0.84
Non-current liabilities budget for-employees' benefit obligation	95,623	3.67	115,653	3.83	125,854	4.49
Employees' deposit	6,543	0.25	6,731	0.22	6,617	0.24
<b>Total non-current liabilities</b>	<b>102,166</b>	<b>3.93</b>	<b>122,384</b>	<b>4.06</b>	<b>156,049</b>	<b>5.57</b>
<b>Total liabilities</b>	<b>766,643</b>	<b>29.46</b>	<b>1,156,967</b>	<b>38.34</b>	<b>1,008,832</b>	<b>35.98</b>

SABINA PUBLIC COMPANY LIMITED  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020

(Unit: Thousand Baht)

	Consolidated Financial Statement					
	2018 (Audit)		2019 (Audit)		2020 (Audit)	
	Amount	%	Amount	%	Amount	%
<b>SHAREHOLDERS' EQUITY</b>						
Share capital - Par value Baht 1 each						
Authorized share capital						
Common share 347,500,000 shares of Baht 1 each	347,500	13.35	347,500	11.51	347,500	12.39
Issued and paid - up share capital						
Common share 347,500,000 shares of Baht 1 each	347,500	13.35	347,500	11.51	347,500	12.39
Premium on share capital	275,164	10.58	275,164	9.12	275,164	9.81
Retained earnings						
Appropriated – legal reserve	49,250	1.89	49,250	1.63	49,250	1.76
Unappropriated	1,169,492	39.16	1,248,573	41.37	1,188,055	42.37
Total other components of equity	-6,027	5.56	-59,547	-1.97	-64,860	-2.31
Total equity of the Parent	1,835,379	70.54	1,860,940	61.66	1,795,109	64.02
Non-controlling interests	-		-		-	
Total shareholders' equity	1,835,379	70.54	1,860,940	61.66	1,795,109	64.02
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	2,602,022	100.00	3,017,907	100.00	2,803,941	100.00

SABINA PUBLIC COMPANY LIMITED  
STATEMENTS OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Thousand Baht)

	Consolidated Financial Statement					
	2018 (Audit)		2019 (Audit)		2020 (Audit)	
	Amount	%	Amount	%	Amount	%
<b>REVENUES</b>						
Revenues from sales - net	3,089,843	99.58	3,279,499	99.53	2,862,209	98.23
Revenues from services			243	0.01	35,797	1.23
Revenues from dividend						
- related parties	-		-		-	
- other parties	1,436	0.05	3,993	0.12	2,154	0.07
Other incomes	11,627	0.37	11,222	0.34	13,671	0.47
<b>Total Revenues</b>	<b>3,102,906</b>	<b>100.00</b>	<b>3,294,957</b>	<b>100.00</b>	<b>2,913,831</b>	<b>100.00</b>
<b>EXPENSES</b>						
Cost of sales and services	1,494,853	48.38	1,494,131	45.56	1,524,804	52.62
Gross Profit	1,594,990	51.62	1,785,611	54.44	1,373,202	47.38
Cost of distribution	910,400	29.34	1,055,730	32.04	863,108	29.62
Administrative expenses	245,362	7.91	220,719	6.70	171,033	5.87
<b>Total Expenses</b>	<b>2,650,615</b>	<b>85.42</b>	<b>2,770,580</b>	<b>84.09</b>	<b>2,558,945</b>	<b>87.82</b>
<b>Profit before interest and income tax</b>	<b>452,291</b>	<b>14.58</b>	<b>524,377</b>	<b>15.91</b>	<b>354,886</b>	<b>12.18</b>
Financial expenses	1,441	0.05	8,330	0.25	9,101	0.31
Income tax expense	89,263	2.88	102,796	3.12	68,974	2.37
<b>Profit for the years</b>	<b>361,587</b>	<b>11.65</b>	<b>413,251</b>	<b>12.54</b>	<b>276,811</b>	<b>9.50</b>
<b>Total comprehensive income for the year</b>	<b>361,587</b>	<b>11.65</b>	<b>413,251</b>	<b>12.54</b>	<b>276,811</b>	<b>9.50</b>

SABINA PUBLIC COMPANY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Thousand Baht)

	Consolidated Financial Statement		
	2018	2019	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>			
Net profit	361,587	413,251	276,811
Adjustments to reconcile net profit to net cash proceed (paid)			
Depreciation+Amortization	50,121	48,371	53,780
Employees' benefits obligation	18,140	34,645	21,458
Loss (gain) from disposal of property	-1,418	-479	-1,256
Loss (gain) from sale of available for sale investment	-	92	-
Unrealised (gain) loss on exchange rate	3,464	2,258	581
Interest expenses	1,441	8,330	9,101
Current tax expense	129,750	154,368	51,050
Deferred tax expense (income)	-40,487	-51,572	17,923
(Increase) decrease in trade receivable - other parties	-60,290	-15,145	18,057
(Increase) decrease in other receivable	-54,741	-7,066	37,272
(Increase) decrease in inventories	-141,867	-446,285	159,837
(Increase) decrease in other current assets	-11,760	-21,977	10,974
Other non-current assets:			
- Assets usage rights	-	-	-63,947
- Others	-1,053	-1,821	-1,484
Increase (decrease) in trade payables - other parties	28,029	-16,356	-62,556
Increase (decrease) other payables	49,925	-28,838	-91,920
Increase (decrease) in other current liabilities - others	2,973	-673	13,002
Other non-current liabilities:			
- Liabilities under lease agreements - Assests usage rights	-	-	23,578
- employees' benefit obligation	-4,213	-14,615	-11,257
- employees' deposit	89	188	-115
Net cash received (paid) from operation	329,690	56,676	460,889
Payment of interest expenses	-1,362	-8,173	-8,997
Payment of Corporate income tax	-91,642	-153,563	-121,966
Net cash provided by (Used in) operating activities	236,686	-105,060	329,926
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>			
Acquisition of property, plant and equipment	-54,605	-31,179	-29,099
Cash received from sales of property and equipment	1,465	479	1,256
Cash proceed (paid) on sales (purchase) -for temporary investment	171,383	98,867	9,345
Cash received from sale of available for sale investment	-59,997	19,908	-
Acquisition of intangible assets	-6,359	-1,228	-6,270
Net cash provide by (Used in) investing activities	51,887	86,847	-24,768

SABINA PUBLIC COMPANY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit:Thousand Baht)

	Consolidated Financial Statement		
	2018	2019	2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank overdrafts and short-term loans received from financial	138,163	408,905	-6,246
Dividend Paid	-410,207	-385,962	-337,329
Payment for lease payable - assets usage rights	-	-	36,152
Net Cash Provided by (Used in) Financing Activities	-272,044	22,943	-307,423
Increase(decrease) in cash and cash equivalents-net	16,529	4,730	-2,265
Cash and cash equivalents, beginning of year	43,887	60,416	65,146
Cash and cash equivalents, end of year	60,416	65,146	62,881

**Financial Ratio Analysis****SABINA PUBLIC CO.,LTD.**

Financial Ratio Analysis	Consolidated Financial Statement		
	2018	2019	2020
<b>Liquidity Ratio</b>			
Current ratio (times)	3.05	2.33	2.54
Quick Ratio (times)	1.24	0.71	0.78
Account receivable turnover (times)	8.3	8.0	7.10
Avg.debt collection period (day)	43.96	45.61	51.44
Inventory turnover (times)	1.43	1.11	1.03
Avg.selling period (day)	255.54	327.51	355.20
Account payable turnover (times)	8.87	8.43	10.96
Avg.Payment period (day)	41.14	43.29	33.31
Cash Cycle (day)	258.36	329.83	373.33
<b>Profitability Ratio</b>			
Gross profit margin (%)	51.62	54.44	47.38
Operating profit margin (%)	14.22	15.52	11.69
Net Profit margin (%)	11.65	12.54	9.50
Return on equity (%)	19.38	22.36	15.14
<b>Efficiency Ratio</b>			
Returns on assets (%)	14.49	14.71	9.51
Net fixed asset turnover (%)	132.80	150.15	102.60
Total asset turnover (times)	1.24	1.17	1.00
<b>Financial Policy Ratio</b>			
Debt to equity ratio (times)	0.42	0.62	0.56
Dividend Payout (%)	113.45	93.40	121.86

**Remark**

-April 9, 2018. The meeting no.1/2018 to pay dividend of the year 2017 operating results at the rate of baht 0.68 per share, total 347.50 million shares, totaling 236.30 million baht of the retained earnings for the year 2017.

-August 7, 2018. The Board of Directors Meeting No.3/2018 to pay interim dividend payment operating results at the rate of baht 0.50 per share total 347.50 million shares, totaling 173.75 million baht of the retained earnings for the year 2018.

-April 23, 2019. The meeting no.1/2019 to pay dividend of the year 2018 operating results at the rate of baht 0.54 per share, total 347.50 million shares, totaling 187.65 million baht of the retained earnings for the year 2018. Paid in May 2019.



-August 13, 2019. The Board of Directors Meeting No.3/2019 to pay interim dividend payment operating results at the rate of baht 0.57 per share total 347.50 million shares, totaling 198.08 million baht of the retained earnings for the year 2019. Paid in September 2019.

-February 21, 2020. The Board of Directors Meeting No.1/2020 to pay dividend of the year 2019 operating results at the rate of baht 0.62 per share, total 347.50 million shares, totaling 215.45 million baht of the retained earnings for the year 2019.

-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 for the year 2019 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 shareholder meeting no. 5/2020 has approved to pay interim dividend for the six month period 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 February 19, 2021, the shareholder meeting no. 1/2021 has approved to pay dividend for the year 2020 to shareholders, at Baht 0.45 per share for the 347.50 million shares, total amount of Baht 156.375 million.

## 14. Analysis of Performance

### 14.1 Analysis of Performance and Financial Status with Explanation

#### 14.1.1 Performance

##### Performanced

##### **Incomes from Sales**

In 2019, the Company had the incomes from the sales and services of products for 3,279.74 million Baht which increased from 2018 about 189.90 million Baht, equal to 6.15 percent increase. Main reason due to the increasing of subsidiaries' trademarks sales increased about 189.42 million Baht and income from sales of OEM products increased about 0.24 million Baht.

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.

#### performance.Incomes from Sales Classified by Product (Unit: Million Baht)

	2018	Percentage	2019	Percentage	2020	Percentage
Incomes from OEM product sale						
Bras	207.40	6.71	208.52	6.36	138.11	4.83
Underpants	45.75	1.48	42.23	1.29	24.19	0.85
Others	33.65	1.09	36.29	1.11	71.24	2.49
Total incomes from OEM product sale	286.80	9.28	287.04	8.75	233.54	8.16
Incomes from sale of subsidiary' brandname products						
Bras	2,261.92	73.21	2,411.05	73.52	2,189.00	76.48
Underpants	459.65	14.88	501.79	15.30	429.74	15.01
Others	81.47	2.63	79.62	2.43	9.93	0.35
Total Incomes from sale of subsidiary' brandname products	2,803.04	90.72	2,992.46	91.25	2,628.67	91.84
Total incomes from sale	3,089.84	100.00	3,279.50	100.00	2,862.21	100.00

### **OEM Products**

In 2019, the incomes from the sales of OEM products were at 287.04 million Baht, increase by 0.24 million Baht or 0.08%. The incomes from the sales of OEM products were divided into the sales of lingerie, underpants and other products at 6.36%, 1.29% and 1.11 % of the total sales, respectively.

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.

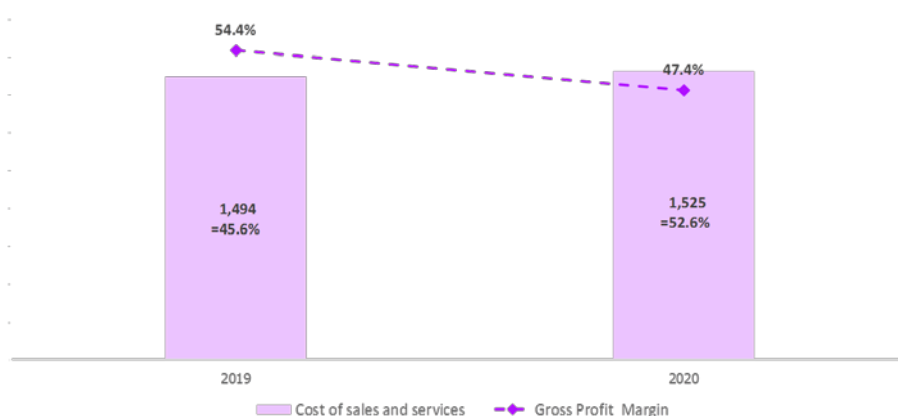
### **Subsidiary's Brandname Products**

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.

In 2019, the Company had the incomes from the sales of products under the subsidiaries' trademarks of 2,992.46 million Baht, an increase of 189.42 million Baht 6.76%, or 91.25% of the total sales income .The incomes from lingerie, underpants and other products were at 73.52%, 15.30%, and 2.43% of the total sales incomes, respectively.

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.

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



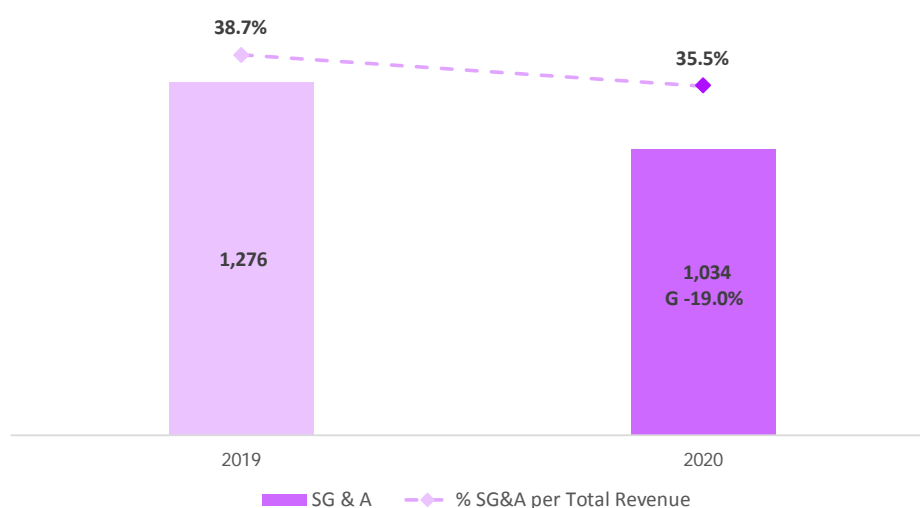
### **Cost of Goods Sold and Gross Profit Margin**

In 2019, the Company's cost of goods sold totaled 1,494.13 million Baht or 45.56% of the incomes from sales and services. The gross profit margin was recorded at 1,785.61 million Baht or 54.44% of the incomes from sales and services. The Company has emphasized on expansion of sales of products under the subsidiaries' trademarks consistently and strictly. Advertising budgets were allocated and marketing promotions were applied. New sales counters were opened at department stores, new retail stores and the Company's shops.

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.

## Selling & Administrative expenses



### Selling and Administrative Expenses and Operating Profit

In 2019, the Company's selling and administrative expenses were at 1,276.45 million Baht, increasing by 120.69 million Baht 10.44% or 38.74% of the total sales incomes. The Company has focused on expansion of sale counters resulting in higher leasing costs for sales and service areas. To increase sales volumes and market shares of products under the subsidiaries' trademarks, salespersons and the budgets for advertising and marketing promotion were added consistently.

Accordingly, the Company had the operating profit of Baht 509.16 million or 15.52% of the incomes from sales and services.

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.

### Interest Paid

In 2019, the Company had interest paid of 8.33 million Baht, increasing by 6.89 million Baht.

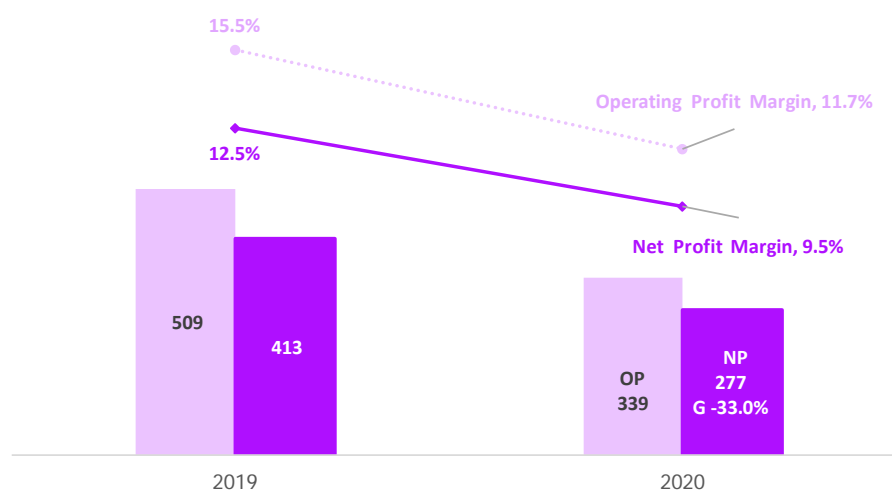
In 2020, the Company had interest paid of 9.10 million Baht, increasing by 0.77 million Baht.

### Corporate Income Tax

In 2019, the Company had the corporate tax at 102.80 million Baht.

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

## Profitability Ratio

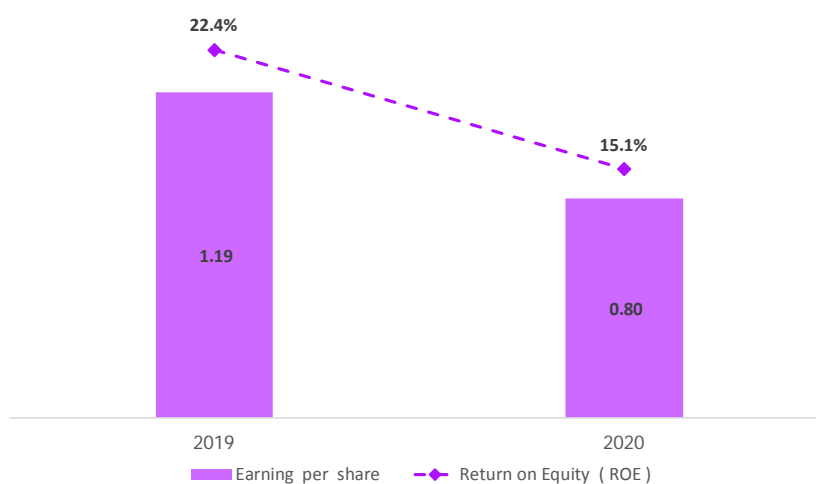


### Net Profit

In 2019, the Company had the net profit of 413.25 million Baht increasing by 51.66million Baht or 14.29%

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

## EPS & ROE



### Returns on Equity

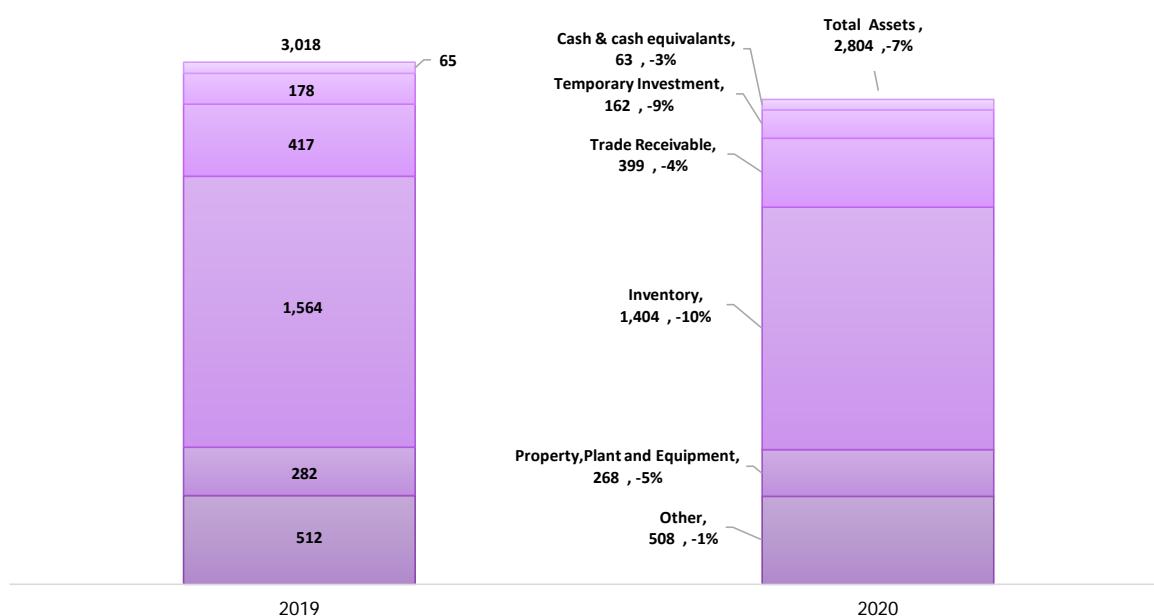
In 2019, the Company's basic earnings per share was at 1.19 Baht; and the Return on Equity (ROE) was at 22.36%

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

### 14.1.2 Company Financial Position

#### Financial Status

## Assets



---

**Total Assets**

In 2019, the Company's total assets increased to 3,017.91 million Baht which about 415.89 million Baht increased 2018 due to, increased in account receivable of 417.41, increased in inventories of 1,563.79 million Baht, increased in deferred income tax of 257.69 million Baht.

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 267.51million baht, and deferred tax assets of 241.01 million baht. Meanwhile, the right assets held for use were increased to 63.95 million baht.

**Account receivable**

In 2019, the Company had account receivable of 417.41 million Baht increased by 15.14 million Baht. The proportions of current account receivable, account receivableoverdue 0 - 3 months, was at 97%, and 3% of the total account receivable.

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.

**Inventories**

In 2019, the inventories were recorded at 1,563.79 million Baht, and increase of 446.29 million Baht or 39.94%. Increased from the policy of increasing stock in order to reduce loss of sales opportunities In the matter of lacking color cup size

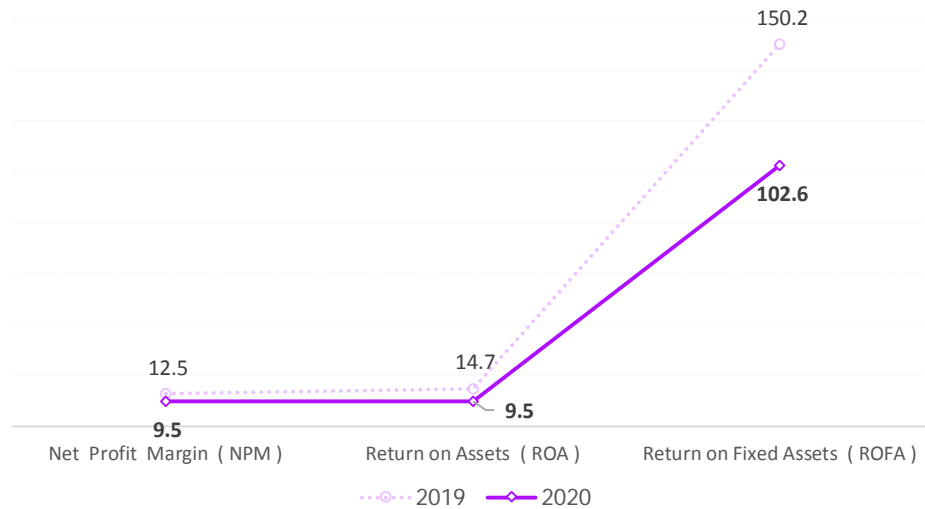
For the year 2020, the inventories were equal to 1,403.95 million baht, a decrease of 159.84 million baht, or 10.22 percent from the previous year. Mostly, this was due to the reduction of finished goods under the subsidiary's trademark, in-process goods, and raw materials.

**Estate, Building, and Equipment**

In 2019, the book value of estate, building, and equipment was worth at 282.09 million Baht, decreased by 11.57 million Baht from the last year figure. At the end of 2019, the depreciation of tangible assets was recorded at 42.75 million Baht.

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.

## Efficiency Ratio

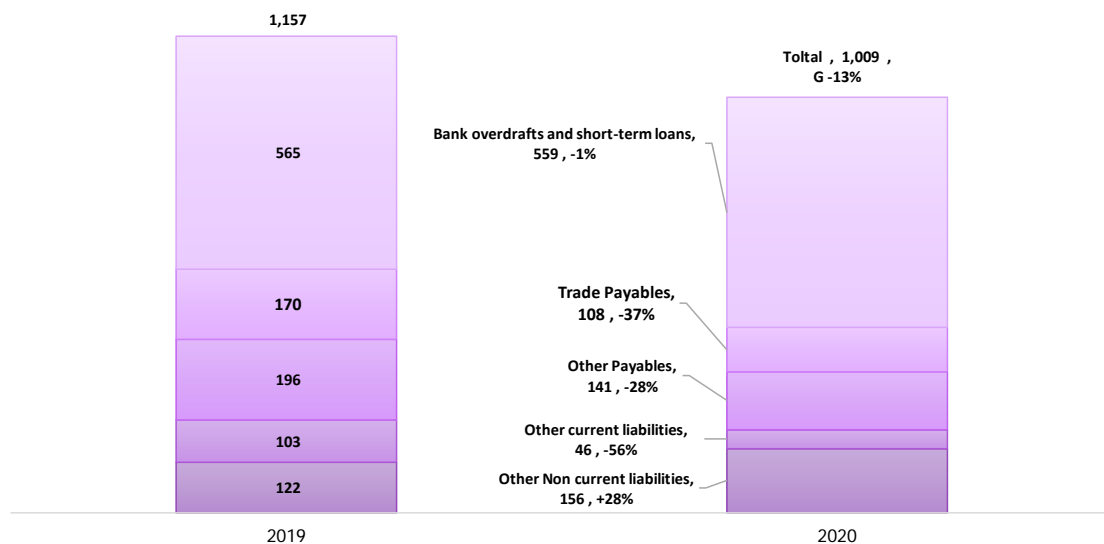


### Performance

In 2019, the net profit rate recorded as 12.54% resulting in the return on total assets and the return on fixed assets at 14.71% and 150.15%, respectively.

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.

## Liabilities



### Liabilities

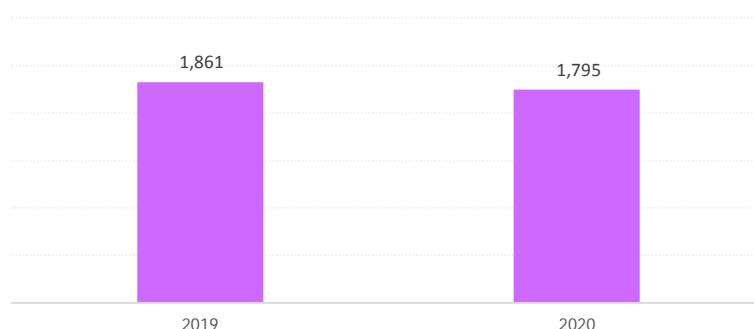
In 2019, the Company had the liabilities of 1,156.97 million Baht, increase of 390.33 million Baht from the last year. The short-term loans from financial institutions increased to 565.07 million Baht and account payable increased 170.15 million Baht. Other payables decreased to 196.39 million Baht and other current liabilities increased to 102.98 million Baht.



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).

## Equity



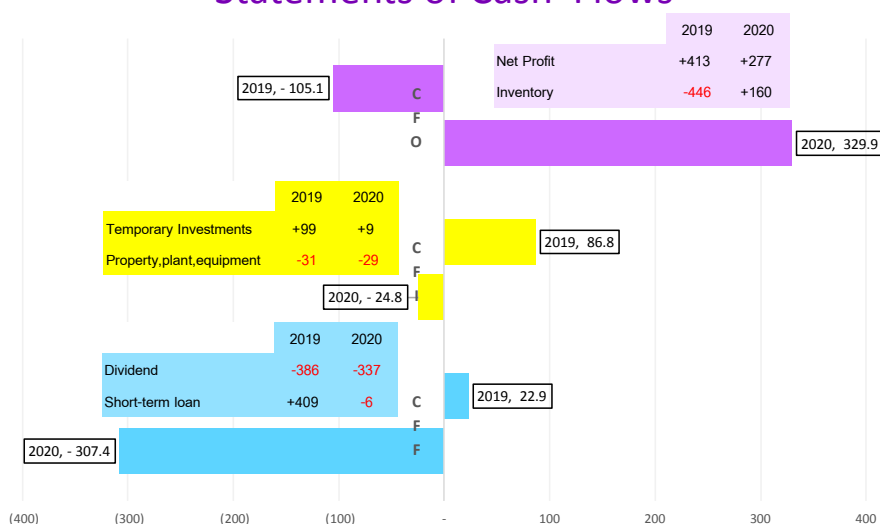
### Shareholder's Equity

In 2019, the Company's shareholders' equity totaled at 1,860.94 million Baht, increased in 25.56 million Baht from last year figure.

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

### Liquidity Analysis

## Statements of Cash Flows



**Operation Cash flow**

In 2019, the Company's cash flow from operating activities was recorded at -105.06 million Baht comprising the net profit of 413.25 million Baht, inventories increased by 446.28 million Baht, Accrued income tax 153.56 million Baht.

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.

**Investment Cash Flow**

In 2019, the Company's cash flow for investment activities was recorded at 86.85 million Baht, The Company invested in temporary investment, sale of available for sale investment and building and equipment of 98.87 million Baht, 19.91 million Baht and 31.18 million Baht, respectively.

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.

**Funding Cash flow**

In 2019, the Company's cash flow for funding activities was recorded at 22.94 million Baht. The Company paid the dividend of 385.96 million Baht and short-term loans from financial institutions of 408.90 million Baht.

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.

**14.1.3 Commitment and Contingent****Lease agreement and long term services**

- 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.
- On June 12, 2009, 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 June 2020. The subsidiary had paid for the leasehold right for the 10 years approximately amounting to Baht 13.71 million.

The commitment for the long-term lease, which should be paid the rent and service in the future, as of December 31, 2020 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	1.71
Over 5 years	-
Total	<u>2.42</u>

**The Subsidiary Company**

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	74.56
Over 1 year but not over 5 years	44.07
Over 5 years	-
Total	<u>119.19</u>

**Letter of bank guarantee**

As of December 31, 2020 and 2019, the Company has letter of guarantee which issuing by the bank on behalf of company as follows:

<u>Objective</u>	<u>BAHT</u>	
	<u>Consolidated Financial Statement</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
1. Guarantee for Custom Department	1.10	3.25
2. Others	3.25	3.25
Total	<u>4.35</u>	<u>6.50</u>

**14.2 Remuneration to Auditor**

From 2018 to 2020, the auditor, A.M.T Associate Office, was paid as follows:

<u>Unit: Baht</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Remuneration to auditor	960,000	960,000	910,000
Other payments	-	-	-

Certification of Data Accuracy

### 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 19 February 2021 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	Chief Executive Officer	< Mr.Bunchai Punturaumporn >

	Name	Title	Signature
Attorney	Mr.Somkid Pradungkiattisak	Executive Director	< Mr.Somkid Pradungkiattisak >

Attachment 1

**Particulars of Directors, Executives, Persons Controlling and Secretary the Company.**

**Particulars of Directors, Executives, Persons Controlling and Secretary the Company.**

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holding 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	67	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- holding 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	56	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 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- holding 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	65	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- holding 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	54	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- holding 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	- Sabina Fareast Co., Ltd
						- Accounting manager for factories	- Sabina Fareast Co., Ltd

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holding 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	44	Master's degree (MS-CIS), Assumption University /  <b>Thai Institute of Directors (IOD)</b> - EDP ปี 2019 - CGE 16/2020	0.03	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- holding 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	55	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	-Sabina Plc.
						- Director of Production	- 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- holding 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	73	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- holding 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	71	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- holding 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	75	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- holding 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	57	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- holding 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	52	MBA(Finance), California State University  <b>Thai Institute of Directors (IOD)</b> - DCP 86/2007 -SFE 6/2010	-	None	<u>Listed Company</u>		
					2019-Present	-Independent Director  - Audit Committee	- Sabina Plc.  - Sabina Plc.
					<u>Other company</u> (not listed company)		
					2020-Present	-Director  -Audit Committee	-Ready Planet Co.,Ltd.

Name / Title / Year for Director	Age (Year)	Education /Training	Share- holding ratio (%)	Relation-ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
12.Ms. Vaja Mukto (Company Secretary)	52	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

**Particulars of Directors, Executives and the Persons Controlling the Company; Directors of Subsidiary**

**Particulars of Directors, Executives and the Persons Controlling the Company; Directors of Subsidiary**

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. Duangdao Mahanavanont	/, //	/, //
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

**Particulars Head of Internal Audit**

**Particulars Head of Internal Audit**

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)	38	Bachelor of Accounting, Sripatum University	-	-	<u>Listed Company</u>		
					2012-Present	- Head of Internal Audit	- Sabina Plc.

Attachment 4

Detail about Assets Appraisal



---

**Detail about Assets Appraisal**





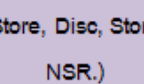
















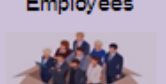
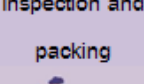
- None

Attachment 5

Sustainability Report 2020

## Supply Chain Management

The Company places an importance on the management of supply chains in all processes of the business in order to achieve a good operating results and to reach the business goals. This includes improving the efficiency in all processes from production, inventory management, shipment, and distribution. Furthermore, the Company aims to conduct its business fairly and responsibly towards all stakeholders as well as take into account its responsibility for the consumption of resources in production to ensure the availability of resources for the next generations. The Company creates product and service values with various innovations according to the Company's vision of "Create Value with Innovation".

Resources	Production	Warehouse	Transportation	Distribution	Consumers	After-sales management
<b>Raw materials</b> 	<b>Design</b> 	<b>Storage</b> 	<b>By land</b> 	<b>Domestic(Dept, Store, Disc, Store NSR.)</b> 		
<b>Trade partners</b> 	<b>Cutting</b> 		<b>By ship</b> 			
<b>Electrical power</b> 	<b>Sewing</b> 	<b>Product sorting</b> 	<b>By air</b> 	<b>International</b> 		
<b>Employees</b> 	<b>Inspection and packing</b> 					

### Resource management

**Raw materials and suppliers:** The company focuses on the use of safe and environmental friendly raw materials by selecting OEKO-TEX Standard 100 certified partners who have passed the International Association for Research and Testing in the Field of Textile Ecology (OEKO), Switzerland, a global certification that many countries trust and have confidence in their testing of hazards, residues in textile products, such as yarn, scientifically produced fabrics, and textile products. In addition, partners who conduct business with the

---

Company must be selected and evaluated for their social and environmental management, respect to human rights, and compliance with the law. The Company and its partners engage in the exchanging knowledge and development of raw materials for the value-added products.

**Electrical Power:** The Company recognizes the importance of energy consumption in production and is committed to manage the best use of energy by conserving and using renewable energy with the application of powerful tools and equipment, as well as raise the awareness of employees on energy use.

**Employees:** 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 attaches importance to products ranging from the design process to be suitable for all age groups and the production processes to obtaining such products. The Company takes into account the responsibility of using various resources in production; therefore, a zero waste project has been implemented. The Company wants to improve production efficiency, so the Lean principle has been applied to create value for every process and eliminate non-value work, which can significantly reduce the delivery time of products and lower wastes. In addition, the Company pays important attention for not emitting negative impacts from its operation by ensuring that wastewater or air discharged from the factory will be maintained and treated until it meets international standards. This is to achieve the aim of becoming a Green Industry.

#### **Warehouse and Transportation Management**

The Company distributes products both domestically and internationally through 4 sales channels, including the Sabina Export and OEM (Original Equipment Manufacturer), which will be shipped abroad after production is completed, and the sales via retail business and non-store retailing channels, where the finished goods will be shipped to warehouses. The company develops 2 channels of warehouse management system as follows:

---

1. Distribution to sales points nationwide, where transportation is designed to transport goods efficiently both in full truck load or milk run model. There is also a programmed tracking system for transportation. In addition, the Company has developed an inventory maintenance system at each point of sale to distribute products at the right time and meet the needs of consumers in each area by developing the system to check the goods sold and stock level at points of sale for the fulfillment of goods. As a result, the inventory levels are appropriate according to the needs of each point of sale for more opportunities of product sales.

2. Online distribution, which requires intensive management resources due to the dispatching time limits of 48 hours after receiving the orders. The company developed a special program system for receiving orders, managing goods with handheld devices, running bills, deliveries, transportation, and customer interactions to communicate information about orders and shipments. In addition, to give confidence to consumers who are unable to touch or see the products, the Company has implemented a return policy without asking any questions (No Questions Asked Policy) which enhanced the rapid and continuous growth of sales through this channel.

### **Consumers**

The Company focuses on producing quality and safe products in accordance with customer expectations to prevent complaints. The Company also places an importance on researching and developing of products to create the value for products and services with innovations in accordance with the Company's vision of "Creating Value with Innovation" that will meet the needs of customers of all ages and deliver products that exceed expectations to customers to make the most of their customers' impressions.

### **Business Materiality**

In operations to achieve business goals As well as taking care of the performance that has a negative impact on the environment. In addition, it is in the direction that the organization and stakeholders want. The company collects information from both internal and external stakeholders. To define key points from customer opinions and feedback from surveys and data of CRM (Customer Relationship Management), relevant regulations, community nearby survey and the interest of investors

Business 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.

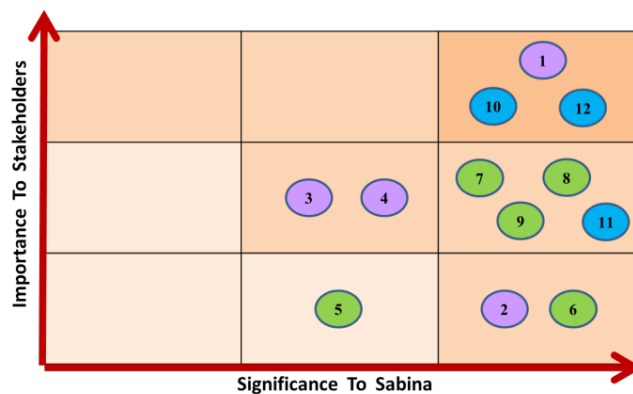
Product innovation is a key issue that the Company takes very seriously because it is significantly related to the satisfaction of customers who are key stakeholders. The Company is committed to develop product innovations to meet the needs of customers, which directly affect the sales as main revenue.

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.

Managing relationships with partners is significant for the Company to focus on the ability of partners to grow sustainably together by developing, improving, listening, and jointly solve problems on the basis of fairness and transparency.

ESG (Environmental, Social, Governance) is a key issue that the Company and stakeholders take very seriously. In addition to pay attention to financial information, investors have begun to oversee the Company's business operations for sustainability, such as social and environmental responsibilities as well as good corporate governance.

Evaluation of key sustainability issues



1. Business Performance
2. Product Innovation
3. Customer Relationship Management and Consumer Responsibility
4. Relationship management with suppliers
5. ESG (Environmental, Social, Governance)

---

## 1. Business Performance

Details shown in Section 3 Financial Position and Performance

## 2. Product Innovation

### Commitment & Goals

The Company is committed to continuously develop product innovations that reflect the Company's vision of "Creating Value with Innovation", which is to meet the needs of customers as well as deliver products that exceed expectations of customers to achieve maximum satisfaction.

### Product Innovation Development Guidelines

As a result of this commitment, the Company always focuses on researching and developing products. Starting with innovations for customers who have small cup size under the development of the Doomm Doomm model, which was well known among the ladies between 2006 and 2015. When thinking of lingerie for small breasts, it is undeniable that people would think of Doomm Doomm by Sabina. After its success in the push-up bra market, the Company has expanded its target groups to girls with larger sizes, which have a market share of over 70%, by launching innovations for big cups under the Perfect Bra model in 2016, as a comprehensive solution for ladies of all cup sizes.

After the success with these 2 innovations, the Company also found that the majority of customers began paying attention to comfortable underwear, with more than 4.5 million searches on social media (mentioned on YoY- Nov 2017) and more than 14 million searches on wireless bras (mentioned on YoY- Nov 2017). The Company has developed innovations for all cups under wireless shape innovation in 2017-2018 and this innovation has successfully responded to customer's problems and received positive feedback. This is reflected by the increase in sales.

In 2019, the R&D team also found that there were more than 1 million searches of seamless bra (mentioned on social media YoY- Nov 2018) and therefore, the Company further developed the seamless bra innovation or known as the seamless fit innovation. Since the lingerie is a product with a direct contact with the wearer's skin, so it must be as smooth as possible without any pressuring points that are painful. The number of seams must also be reduced to the absolute minimum by applying 3 special techniques, including Weaving, Free Cut, and Bonding (thermal extrusion) technology, instead of traditional underwear with a large number of seam joints. This reduces production labors and sewing processes by switching to the use of machine technology. This innovation became the most successful innovation thus far.

---

Such innovative bra changes the image of the traditional lingerie which we are more familiar. This is considered as the new era of lingerie. The Company has added all models of this innovation, as the world's trend, into the category of key selling products or a product hero to provide customers with a smooth and seamless experience in the form of a bra model that they regularly wear, with over 40 models to choose from.



*Seamless Fit*  
TECHNOLOGY BY: *Sabina*

*Pretty*  
Lingerie

*DOOM*  
Lingerie

*DOOM*  
Lingerie

*Soft Collection*

*MODERN*  
Sew Lock

*FUNCTION*  
BRA

*Signature*  
Lingerie

*PERFECT*  
bra

*SECRET CURVE*

The Company is also moving towards increasing the innovation of non-slip tech for strapless bras to improve the confidence for ladies when the bras are well in place and do not slip easily for every cup sizes. This is the innovation of Body Bra series, which has been very well received.



#### Summary of Sabrina's innovations

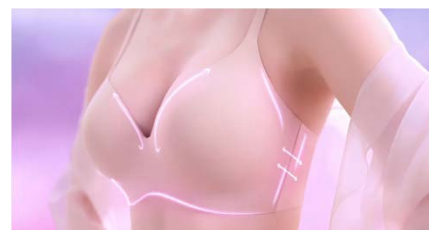
Traditional bra (Comfort 1.0)



Evolution (Comfort 2.0)



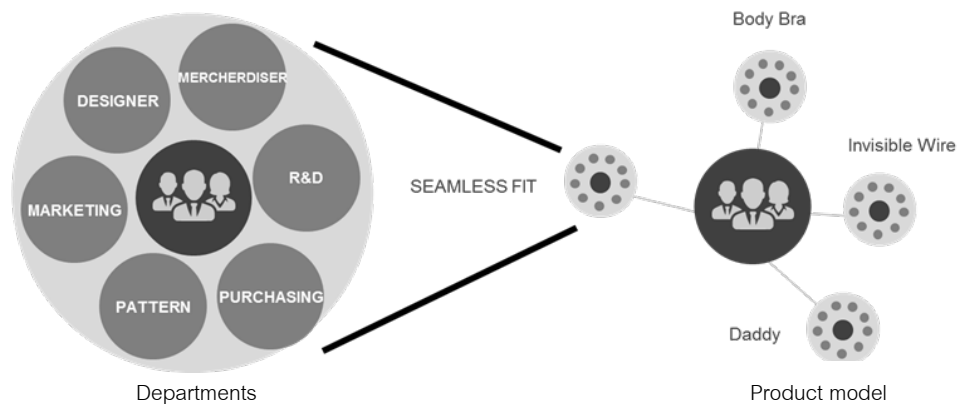
Seamless Fit (Comfort 3.0)





The Company has the following guidelines for developing product innovations:

1. Define agile working structures to develop products that meet targets with efficiency. The structure consists of all relevant departments to jointly develop products according to the product model.



2. Appoint an R&D team for product development to find information on needs, interests, problems, changes in body shapes and consumer behaviors, as a guide to deliver products that meet the needs and satisfy the customers.
3. Designate a team of stakeholders to work on the Design Thinking to allow employees to participate in the development of innovation under the concept of RTB (Reason to Believe), which consists of 4 factors, including comfort, smooth, beautiful shape, and closer breasts.



4. Make the design of products based on information from the product research and development teams and the results of participating in Design Thinking.
5. Make a sample of the design work for testing and fitting.

### Product Innovation Performance

From the innovation of “SABINA Seamless Fit Innovation - Non-Slip Tech Bra, which is a smooth and seamless bras without slipping” that emphasizes the uniqueness of innovation of smoothness, seamlessness,

with an addition of comforts and beautiful shapes. These is an important secret of Sabina's lingerie. This innovation was launched in March 2020 and received great responses. The Company then has decided to submit this innovation for the contest award, Set AWARD 2020, to disseminate or disclose business innovations and the Company received the outstanding innovation company award. This new innovation enhances the production efficiency, which contributes to the significant reduction in the production costs as well as the production time per piece, and thus increases the number of daily outputs.

Subject	Before improvement	After improvement	Differences
1. Fitting	Beautiful shape, wired, pain	wireless, comfortable, beautiful shape	
2. Appearance	having seam joints	smooth, free of seam joints	
3. Production process	42 production steps	30 production steps	12 production steps
4. Production time	27.678 minutes	15.370 minutes	12.308 minutes
5. Capacity	222 pieces/day/line	400 pieces/day/line	178 pieces/day/line

It also contributes to lower production costs and increases gross profit margins. As a result of the Seamless innovation in 2019, the gross margins were 12% better than the previous year (data reference: Sabina's Performance in 2019).

This innovation is driven by dedications and commitments. The company intends to develop the best lingerie products to meet the needs of today's consumers who consider a comfort as a priority, followed by a beauty when it comes for buying lingerie. The Company remains committed to the innovation by using latest information, advice, and technology to improve products and services to meet the needs of customers.

### 3. Customer Relationship Management and Consumer Responsibility

#### Commitment & 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 building customer relationships and responsibility for 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 prove 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 gaily 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

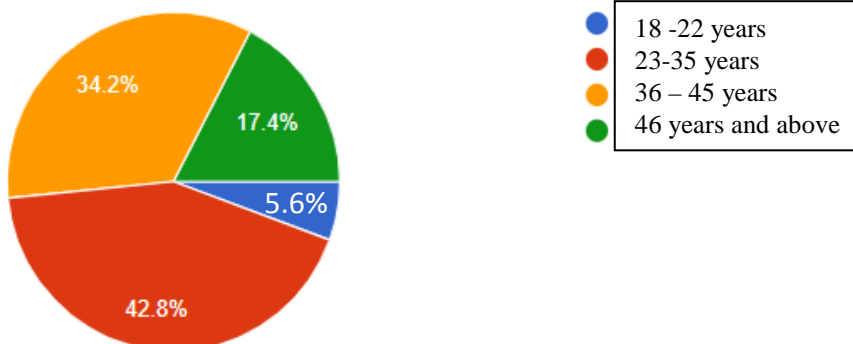
further improvement and development of the Company's operations by targeting the highest level of product and service satisfaction surveys of 90% or more.



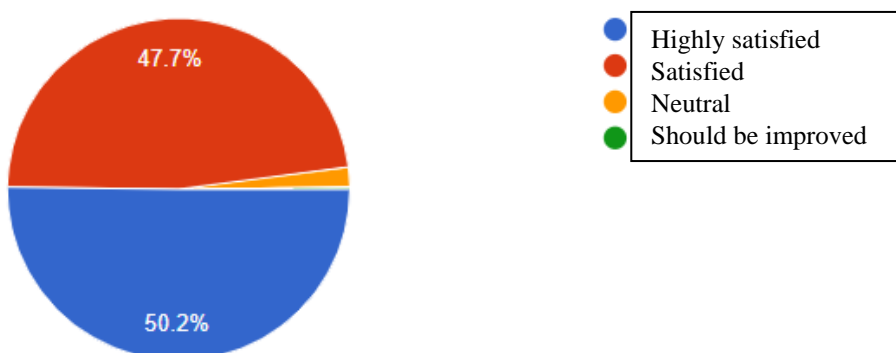
The annual satisfaction survey 2020, surveyed in early January 2021.

A total of 3,249 surveyed customers, 87% of which are loyal customers and 13% of new customers.

There were 3,249 respondents divided by age as follows:

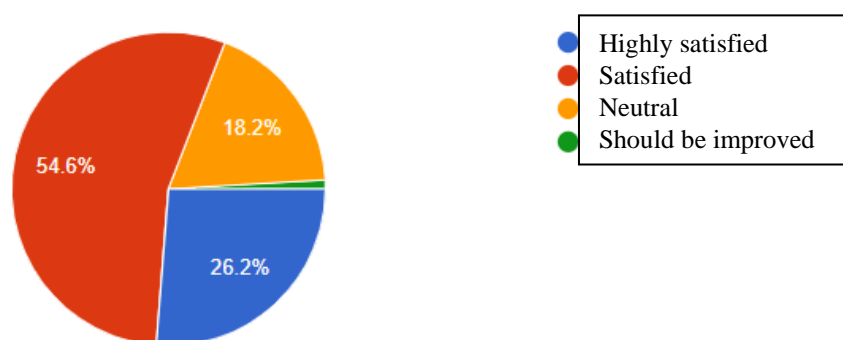


The survey shows that customers are satisfied with the highest level of products and services, total 97.9% (details shown in the graph below).



From the analysis of the customer satisfaction assessment of the product, under the question of how customers feel about the brand, approximately 91% of customers feel that Sabina's products are of superior quality to other brands on the market. In the question of how they feel about innovation, about 98% of customers feel that Sabina is always an innovative brand.

From the analysis of the customer satisfaction assessment of the salesperson's service. It was found that the customers were satisfied with the service of salespeople at the highest level, totaling 80.8%, details are shown in the graph below.



The results of the salesperson service satisfaction survey were lower than the target, which found that there were communication problems during the service. In this regard, the Company will continue to rectify by adding courses on standards in communicating with customers in order to further develop the service for the better and achieve the goals set in the future.

#### 4. Relationship management with suppliers

##### Commitment and goal

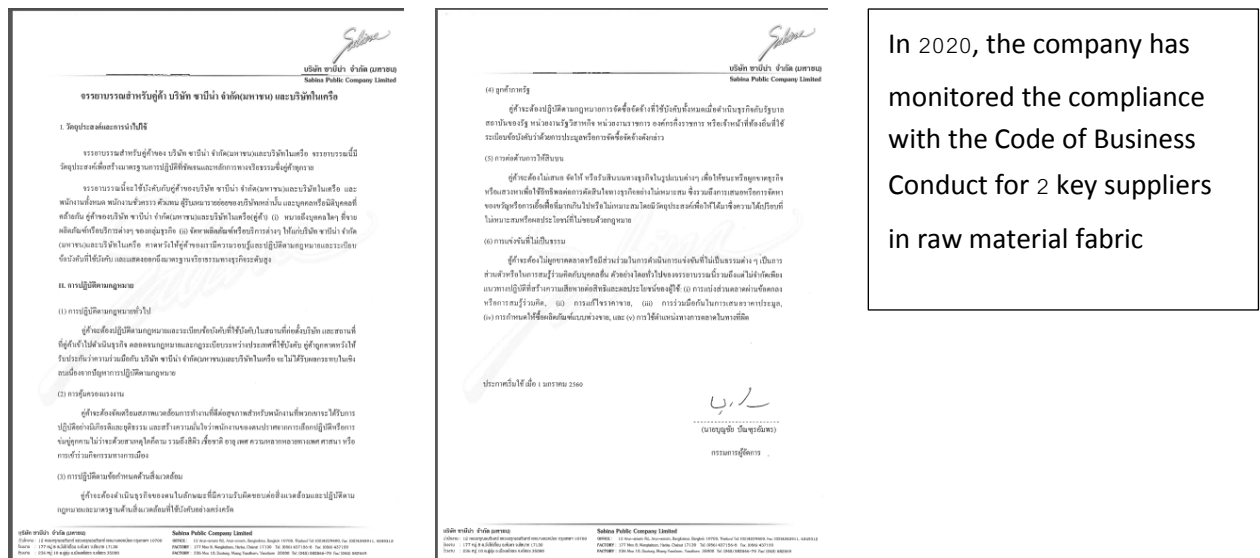
The Company is committed to the development of main raw material distributors as partners to jointly develop raw materials to create product value and reduce production costs through the exchange of information, technology, product development and design for the benefit of both parties on the basis of building trust between and creating value for each other and long-term relationships by conducting business with transparency, fairness, complying with commercial terms or conditions.

##### Guidelines for managing relationships with suppliers

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.



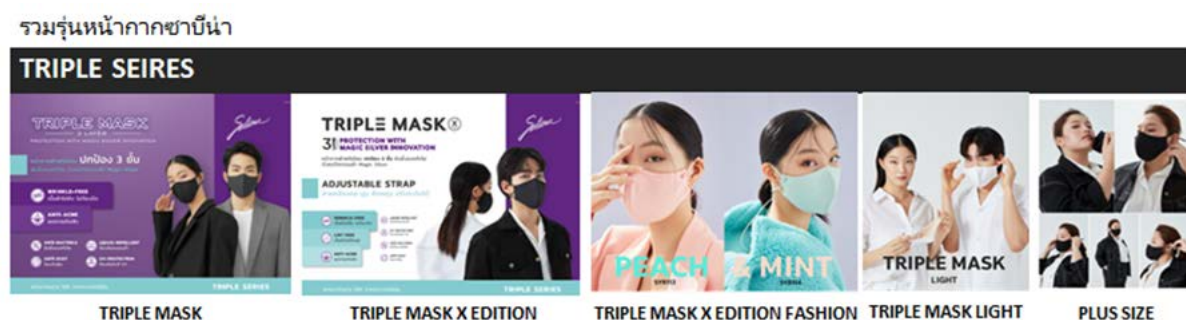
3. Jointly comply with the terms and conditions of the trade. In the event that this is not practicable, the Company will negotiate with the trade partners in advance in order to jointly find solutions and prevent damage.
4. Publicize the anti-corruption policy that is the practice of not requesting, 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.

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.

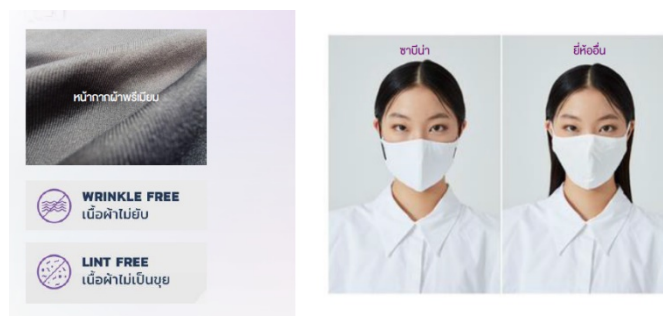
**Inner layer fabric: PROTECT AND CARE LAYER:** MAGIC SILVER fabric - innovation that inhibits bacteria causing acne and provides a soft and comfortable touch.

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



#### Performance in managing relationships with partners

The Company's performance on relationship with its partners in the past year has been as follows:

1. The Company cooperates with partners to develop new products under the Seamless Fit model that requires smoothness, free of painful pressure points by removing as many seam joints as possible, using the weaving and bonding technology. This creates a significant market value for the company. From 2019 to 2020, 33% of seamless fit sales was earned from total Sabina brand sales.
2. The company has partnered with partners to develop MAGIC SILVER fabrics, creating triple mask products which are right for the COVID-19 pandemic. In 2020, sales of Triple Mask Series-specific fabric masks reached 35 million baht, with total 271,993 pieces.
3. Categorize partners of the Company into groups by type of raw materials, such as fabrics, lace, and accessories to rank the trade value with each other for assessing and analyzing the risk of dependence on few customers. The company did not face any shortages of raw materials in the past year.
4. Evaluate partners by checking the quality of raw materials every 6 months to develop and improve together, apart from sending information to them. As a result, the quality rate of main raw materials such as fabric and lace, in 2019 and 2020, was 94.4%, an improvement from 90.8% in 2018.



5. Follow-up on business policy that in compliance with partners in the field of corruption, social issues, and environment, including respect for human rights. It was found that none of the Company's partners had infringed or maintained problems in such matter.

#### 5. Environmental , Social and Governance Responsibility

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:



## Energy Management

### Commitment & 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.

### Operating Goals 2020

- Reduce electricity consumption by 15%

### Operational Guidelines to Reduce Electricity Consumption

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.



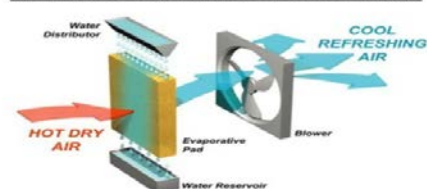
Phutthamonthon Sai 5 Factory with 633 employees



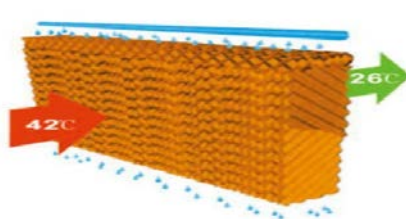
Yasothon Factory with 971 employees

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.

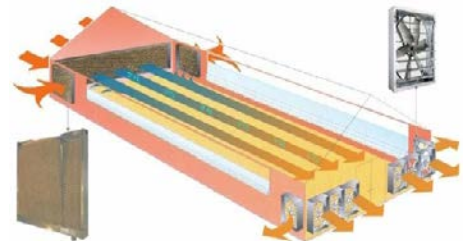
#### How EVAPORATIVE COOLING works



EVAP working principle



Honeycomb panels made of wood pulp



Air Flow

From the survey of each factory, Chainat and Yasothon factories are suitable for EVAP system because they are located in a clear and open space with a good weather condition. The EVAP system at the Chainat factory was installed in 2008 and expanded the installation to the Yasothon factory in 2009.

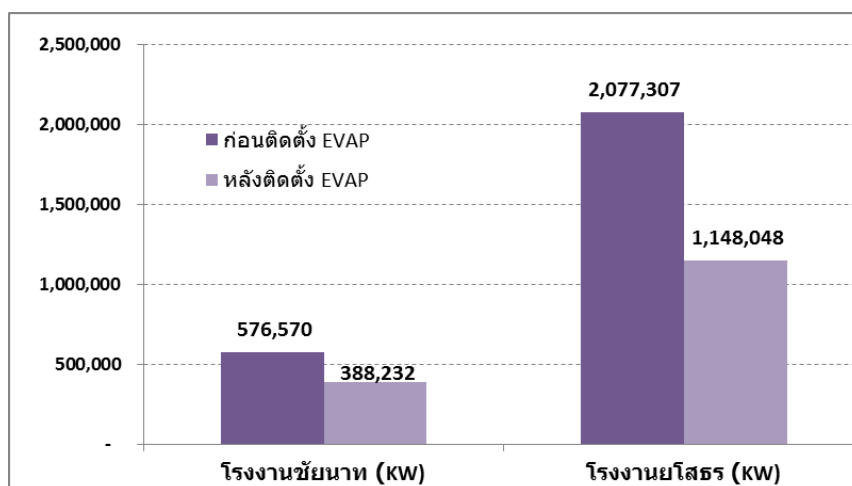


Chainat Factory



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).



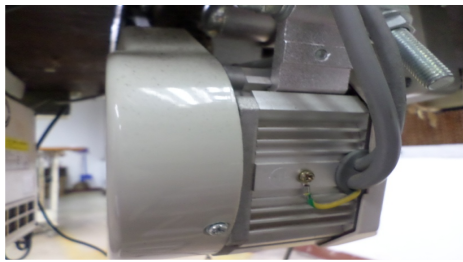
Note: Information disclosed under GRI 302-4 framework on Reducing energy consumption.

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	<b>1,688</b>

2. Replacing a 36 W fluorescent lamp to an 18 W LED, which consumes less electricity. The Company has gradually replaced such light bulb in every factory since 2018. The number of 7,837 lamps have been changed, thus reducing electricity consumption by 50%.

(Fluorescent 36W / 1 lamp and LED 18W / 1 lamp consume 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	<b>50.51%</b>
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>	

Note: Information disclosed under GRI 302-4 framework of reducing energy consumption.



3. Modifying the air conditioning system at Phutthamonthon Sai 5 factory to be a VRF (Variable Refrigerant Flow) system, which is a technology that directly regulates the dosing of refrigerant, allowing precise temperature control and electricity saving, compared to other air conditioning systems. Therefore, it can reduce electricity energy consumption by up to 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. Modifying piston type air pump. It is an Inverter type of air compressor, a system that keeps the air pressure constant and can save electricity by 30-35%.



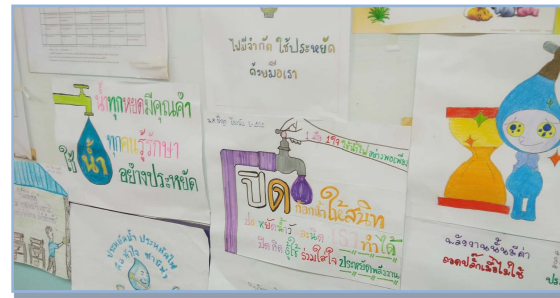
The Company has taken measures to reduce unnecessary electricity consumption by **locking the button on the remote control** of the air conditioner at a temperature of 25 °C so that it can be turned on and off alone and cannot adjust the temperature. In addition, a separate energy meter was **installed in different**

departments for measuring energy consumption for analysis in planning to reduce energy consumption and cost-effective use of energy in various departments.



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.



All measures and operations are not focused solely on reducing energy consumption, but also taking into account the impact on global warming and the environment from excessive energy consumption. The Company sent its employees to attend Environmental Manager training course on November 7, 2020.



### Performance to reduce electricity consumption

From the Company's operations and energy measures, all factories are able to reduce their electricity consumption by 15% more than the target, with up to 22% reduction in electricity consumption.

Factory	2018 (KW)	2019 (KW)	2020 (KW)	Reduction in energy use
Sai 5	2,788,200	3,009,180	2,333,380	-22%
Tha Phra	570,503	608,244	438,217	-28%
Chainat	342,848	358,336	302,072	-16%
Yasothon	977,544	1,009,574	788,259	-22%
Buriram	131,583	188,415	156,709	-17%
Offices	644,585	624,787	524,222	-16%
<b>Total</b>	<b>5,455,263</b>	<b>5,798,536</b>	<b>4,542,859</b>	<b>-22%</b>

Note: Information is disclosed according to the **GRI 302-1** framework on Internal Energy Consumption.

## Water Management

### Commitment 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.

### Operating Goals 2020

1. Reduce corporate water consumption by 10% compared to 2019.

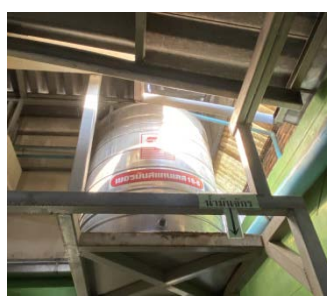


- 202

In addition, it is also working to modify damaged sanitary equipment and install water-saving equipment in place of the old ones that use a lot of water, following the same guidelines in every factory and office.



For Tha Phra Factory, which uses an air chiller system, wastewater from the air recirculating system is recycled.



Chiller

Wastewater from the chiller is  
kept in the tank.

Before being reused

The company has sent a water sample from the air chillers system to the private organization for measuring, which the effluent test results meet the specified criteria and can be reused for other purposes.

**3. Summary of Environmental measurement results.**

Accufas Lab Center had performed the environmental sampling and assessment at "SABINA FAREAST CO., LTD. (THAPHRA FACTORY)" on 1<sup>st</sup> November 2013 in the following parameters:

3.1 The Analyzing physical, chemical and microbiological characteristics of Waste water.

**3.1 The Analyzing physical, chemical and microbiological characteristics of Waste water.**

Item	Area of monitoring	Parameter	Results	Standard <sup>(1)</sup>	Unit	Comparison with the standard
1	Waste water from Air	pH Value (pH)	7.2	5.5-9.0	-	Pass
2		Temperature	34.6	40	°C	Pass
3		Biochemical Oxygen Demand (BOD <sub>5</sub> )	11	20	mg/l	Pass
4		Chemical Oxygen Demand (COD)	90	120	mg/l	Pass
5		Suspended Solids (SS)	≤2.50	50	mg/l	Pass
6		Total Dissolved Solids (TDS)	46	3000	mg/l	Pass
7		Oil & Grease	2.66	5	mg/l	Pass
8		Total Kjeldahl Nitrogen (TKN)	0.56 <sup>(2)</sup>	100	mg/l	Pass

Remark: <sup>(1)</sup> The Notification of Ministry of Industry plant 2-2399 under the section of Sewerage discharging from the factory guideline.  
<sup>(2)</sup> Assure by Special Lab level & Consultant Co., Ltd.

---

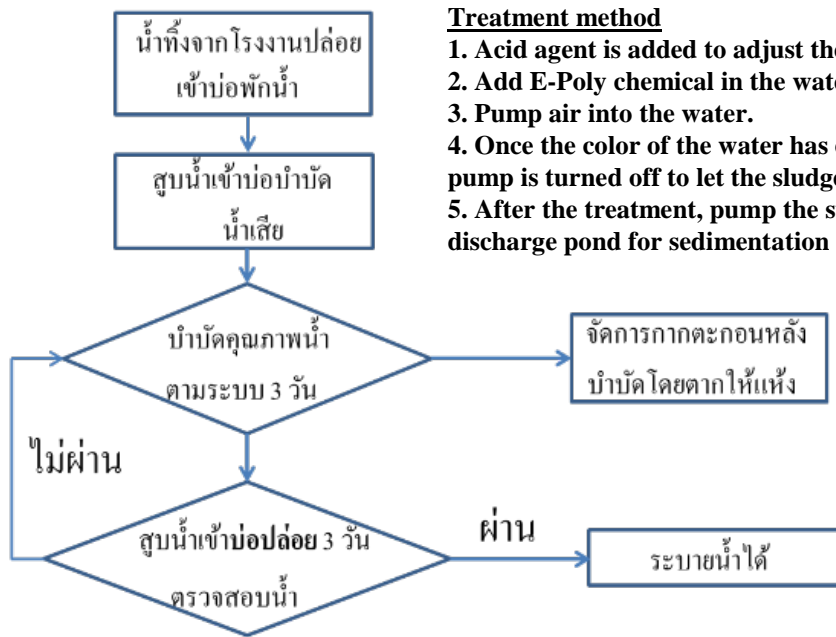
2020 performance: Reduce the organization's water consumption targeting at >10%

Factory	2018 (Cubic meter)	2019 (Cubic meter)	2020 (Cubic meter)	% difference compared between 2020 and 2019
Sai 5	37,896	35,592	30,115	-15%
Tha Phra	5,508	7,860	6,281	-20%
Chainat	10,572	9,312	8,087	-13%
Yasothon	60,228	51,408	46,237	-10%
Buriram	3,036	2,808	2,276	-19%
Offices	6,492	6,480	4,926	-24%
Total	123,732	113,460	97,922	-14 %
Average	10,311	9,455	8,160	

Note: Information is disclosed according to the GRI 303-5 framework on water consumption.

#### 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



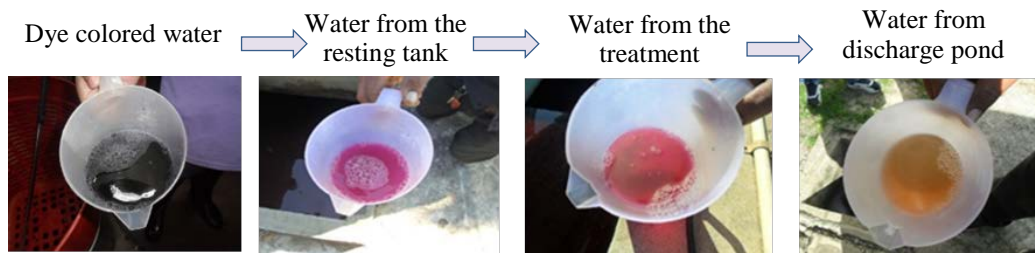
Recycle and reuse



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	ตรวจเช็คหลอดไฟหน้าตู้ควบคุมเบรกเกอร์	⊗			
3	ตรวจเช็คการทำงานของเครื่อง	⊗			
4	ตรวจเช็คการรั่วของลมและอุปกรณ์	⊗			
5	ทดสอบวาล์วนิรภัย			△	
6	เติมน้ำมันน้ำทิ้ง			△	
7	ตรวจสอบสภาพสายพาน			△	
8	ปรับตั้งสายพาน			△	
9	เปลี่ยนสายพาน				△ตามสภาพ
10	ตรวจสอบระดับน้ำมันปั๊มลม		⊗		
11	ทำความสะอาดตัวกรองอากาศ			⊗	
12	ตรวจเช็คจุดต่อสายไฟ, อุปกรณ์			△	
13	เปลี่ยนกรองอากาศ				△ตามสภาพ
14	เปลี่ยนถ่ายน้ำมันปั๊มลม			△ทุก 6 เดือน	
15	ตรวจเช็คมอเตอร์ทำความสะอาด			△	
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

### Performance of the year 2020: Control, manage and manage wastewater

In 2020, Phutthamonthon Sai 5 factory has an average total wastewater of 2,510 cubic meters / month, with an average of 360 m3 / month (360,000 liters) being dyeing wastewater, accounting for 14% and effluent from other factory consumption at average of 2,510 cubic meters / month (2,510,000 liters), accounting for 86%.

Note: Information disclosed under the framework GRI 303-5 on Water consumption, GRI 303-4 on Water emissions.

Since the Company has taken various measures to maintain and treat the effluent before discharging from the factory, the results of the measurement of chemical residues from the samples of the effluent of the Company comply with the standards set by law every month.

Items tested	Unit	*Standard	May	June	July	Aug	Sep	Oct	Compared to standard	Nov	Dec	Compared to standard
pH	-	5.5-9.0	7.7	9.0	8.2	8.6	9.0	9.0	Pass	8.6	8.5	Pass
Color (Normal)	ADMI	≤300	182	103	79	94	73	68	Pass	110	114	Pass
Color (Adjust)	ADMI	≤300	181	97	72	99	72	65	Pass	99	110	Pass
Total Suspended Solids (TSS)	mg/l	≤50	28	<20	<20	26	28	39	Pass	<20	<20	Pass
Biochemical Oxygen Demand (BOD)	mg/l	≤20	6	<5	9	<5	<0.01	8	Pass	9	10	Pass
Chemical Oxygen Demand (COD)	mg/l	≤120	77	37	27	81	41	72	Pass	124	126	Pass

\* Announcement of the Ministry of Industry on Establishment of Factory Sewerage Control Standards 2017

In the month that the measured values do not meet the standard, the Company has resolved by revising the formula of water treatment chemicals according to the amount of dye used in order to obtain the passing of the factory sewage control standard according to the announcement of the Ministry of Industry. The Company has received no complaints about the water discharge from the community since the Sabina Factory, Phutthamonthon Sai 5 branch has been in operation from 1997 up to present, as well as no complaints from the Company's annual operational impact the survey.

### Participation in climate care

#### **Commitment and goals**

Climate change affects global warming and the climate, affecting the natural resources and livelihoods of the world population. It is caused by natural variations and human activities. Sabina is committed to **controlling air pollution from the molding process and works to reduce greenhouse gas emissions** from its operations in order to meet the paradigm "Sustainable Development Goals" (SDGs) in number 13.

The Company's operational greenhouse gas emissions are calculated from the Company's own transportation activities, meeting trips and corporate littering. (Details on waste management)

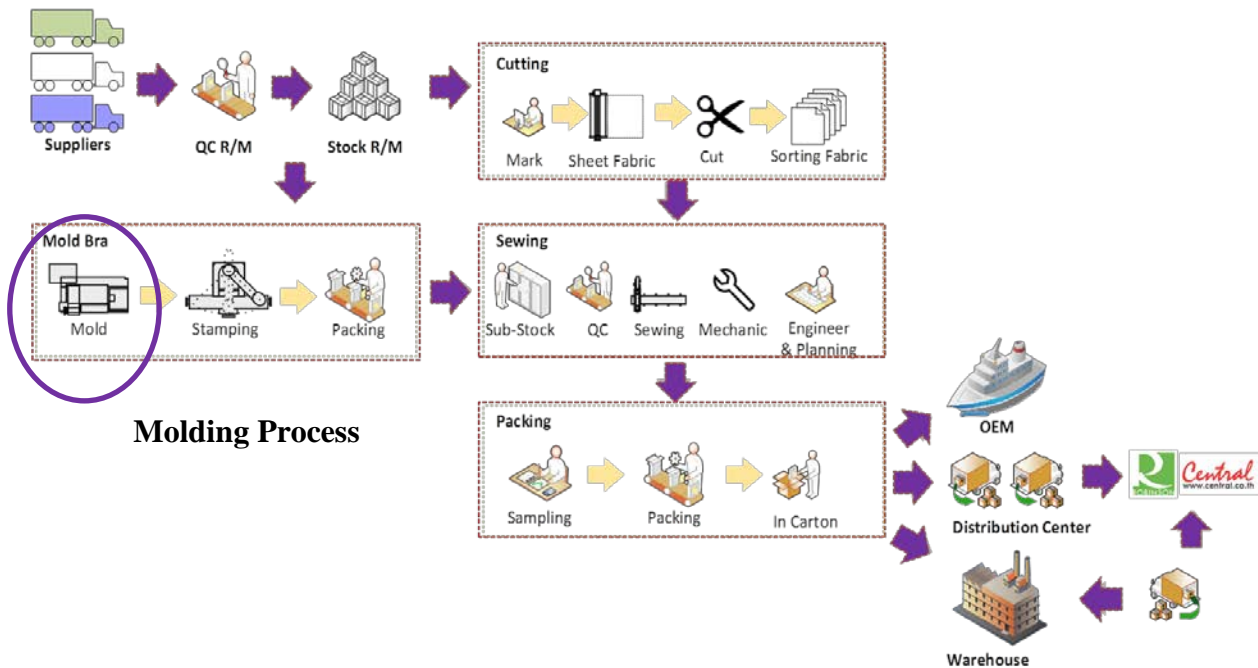
#### **Operational goals for 2020**

1. Monitoring air pollution from the operation of the molding process by controlling dust particles not exceeding 400 mg / m<sup>3</sup>, and chemicals (toluene) not more than 200 ppm.
2. Manage to control greenhouse gas emissions from transportation at 10%
3. Manage to control greenhouse gas emissions from traveling for meetings at 20%

#### **Management guidelines to take care of air pollution from the molding 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



### 2020 Performance to take care of air pollution from the molding process

From the dust and chemical measurement in 2020, 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
23 Nov 2020	Chimney MO-BW-01	2.41 mg per cubic meter.	0.15 ppm	Meet the standards
	Chimney MO-BW-02	2.11 mg per cubic meter.	0.18 ppm	Meet the standards
	Chimney MO-BW-03	2.49 mg per cubic meter.	0.56 ppm	Meet the standards
	Chimney MO-BW-04	4.66 mg per cubic meter.	0.71 ppm	Meet the standards
	Chimney MO-BW-05	3.11 mg per cubic meter.	0.25 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.

### Management guidelines to reduce greenhouse gas emissions from the operations of the Company

**Transportation** - The Company takes measures to reduce greenhouse gas emissions from transportation by implementing fuel-saving measures to reduce fuel consumption, safe and energy-efficient driver training, speed limit, no-idling with engine on, travel planning etc. as well as maintaining the quality of car tires (Check tire air and tread integrity) due to tires have an effect on fuel consumption up to 20 % of the total energy consumption.



In addition, the Company has replaced the use of B7 (original diesel) to B10 (new diesel), which reduces PM 2.5 dust particle following the greater proportion of biodiesel and more environmental friendly. More importantly, the Company reviews the planning of transport between factory from the origin at Phuttamonthon Sai 5 factory to the destination at Chainat, Yasothon, and Buriram factory.



บริษัท ขาบีนา จำกัด (มหาชน) / บริษัท ขาบีนา ฟาร์อีสท์ จำกัด

ใบแจ้งตารางรถประจำสัปดาห์ไป รง.โยธธร/รง.ชัยนาท/รง.บุรีรัมย์

วันที่ 5/10/20

ATTN : คุณเข็มมะณี/คุณสุพัทธ์

CC : K.ณัฐ

FROM: จิรวัดณ์

รถรับจ้าง

รถ 6 ล้อสาย5

ตั้งแต่วันที่ 5-10/10/20

รายละเอียดการเดินทาง				รถกลับถึงกรุงเทพ		สถานที่	หมายเหตุ
วัน	วันที่/เดือน/ปี	เวลาเดินทาง	พนักงานขับรถ	วันถึง	วัน/เดือน/ปี	ช่วงเวลา	ถึง
จันทร์	5/10/2020	09.00 น.	ประกายแก้ว	อังคาร	6/10/2020	23.00 น.	โยธธร
อังคาร	6/10/2020	09.00 น.	ปรีชา	อังคาร	6/10/2020	23.00 น.	ชัยนาท
พุธ	7/10/2020	09.00 น.					
พุธ	7/10/2020	09.00 น.	สุริยันต์	ศุกร์	9/10/2020	19.00 น.	บุรีรัมย์
พฤหัสบดี	8/10/2020	09.00 น.					
ศุกร์	9/10/2020	09.00 น.	ปรีชา	เสาร์	10/10/2020	23.00 น.	โยธธร
ศุกร์	9/10/2020	09.00 น.	ประกายแก้ว	ศุกร์	9/10/2020	19.00 น.	ชัยนาท
เสาร์	10/10/2020	09.00 น.					
CONFIRM/COMMENT							
SBN							
SB		CTNS.				หมายเหตุ เบอร์โทรมือถือคนขับรถ	
LZ		CTNS.				ปรีชา 087 - 0755149	
OEM		CTNS.				ประกายแก้ว 090 - 1386098	
TOTAL		CTNS.				สุริยันต์ 093 - 5864087	
		CTNS.				จิรวัดณ์ 085 - 6616343	
		CTNS.					

As well, the company reviews the route planning for transporting to various stores and returning by establishing a coordination system between the Transport Department and the salesperson (PC) so that the salesperson can report the return of the goods to the system and the Transport Department can collect the goods in order to reduce the empty trips on the return trip.

รายงานสรุปใบรับสินค้า						
สาขา : ทจว. สาขาที่ 1						
เลขที่เอกสาร	รหัสร้าน	ชื่อร้าน	สาขา	จำนวนกล่อง	รายละเอียด	ผู้ส่งสินค้า
LR20100394	000980	เจ้าเหล็ก	ชะอำ	4	สินค้า 4 กล่อง	
LR20100480	001791	เจ้าเหล็ก	ชะอำ	8	สินค้า 8 กล่อง	
LR20100496	001476	โลตัส	ท่าช้าง	4	โหล 4 กล่อง (001835 เจ้าเหล็ก ชะอำ (จัดรายการ))	โลตัส
LR20100512	001977	โรบินสัน	เพชรบุรี	5	สินค้า 2 กล่อง, โหล 3 กล่อง (001835 เจ้าเหล็ก ชะอำ (จัดรายการ))	โรบินสัน
LR20100514	000960	โลตัส	สมุทรสงคราม	3	สินค้า 3 กล่อง	ชอป 136 โลตัสสมุทรสงคราม
				รวมจำนวนกล่อง : 24		

**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	
	Meeting trips	Meeting trips	Video conference
Output	12 times/year	2 times/year	8 times/year
Quality	6 times/year	2 times/year	3 times/year
HR.	12 times/year	2 times/year	9 times/year
Shipment	24 times/year	6 times/year	14 times/year

**Performance in 2020 to reduce greenhouse gas emissions from the company's operations**

**Transportation** - By taking measures to reduce the transportation fuel consumption, it can reduce the amount of greenhouse gas emissions by 20.16%. In this regard, the volume of 1 liter of diesel emits 2.7446 kg of greenhouse gas (CO<sub>2</sub>).

Type	2019			2020			Reduction /year
	Distance (km)	Oil volume (liters)	Greenhouse gas emissions (TonCO <sub>2</sub> e)	Distance (km)	Oil volume (liters)	Greenhouse gas emissions (TonCO <sub>2</sub> e)	
6 wheel truck	356,395.00	55,367.91	151.96	285,325.00	35,047.03	96.19	20.16%
Transport vehicle	785,546.00	66,836.31	183.44	633,482.00	59,867.70	164.31	
Car shop decoration	585,571.00	51,959.95	142.61	542,822.00	44,135.41	121.13	
<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>	

Note: Information disclosed in accordance with GRI 305-5 framework on the indirect reduction of greenhouse gas emission

**Meeting travel** - By taking measures to reduce the amount of greenhouse gas emissions from meeting travel, it can reduce the amount of greenhouse gas emissions by 77.7%. The volume of 1 liter of diesel fuel emits 2.7446 kg of greenhouse gas (CO<sub>2</sub>).

Meeting agenda	Greenhouse gas emissions / time (kgCO <sub>2</sub> e)	2019		2020		Reduction/year
		Meeting trips	Greenhouse gas emissions (kgCO <sub>2</sub> e)	Meeting trips	Greenhouse gas emissions (kgCO <sub>2</sub> e)	
Output	660.19	12 times/year	7,922.28	2 times/year	1,320.38	77.7 %
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	
<b>Total</b>	<b>2,593.58</b>		<b>35,279.28</b>		<b>7,856.72</b>	

Note: Information disclosed in accordance with GRI 305-5 framework on indirect reduction of greenhouse gas emission

---

**Summary of the reduction of greenhouse gas emissions from the company's operations**

	2019 (TonCO <sub>2</sub> e)	2020 (TonCO <sub>2</sub> e)	Difference (TonCO <sub>2</sub> e)
Transportation	478.01	381.63	reduced 96.38
Meeting trips	35.28	7.86	reduced 27.42
<b>Total</b>	<b>513.29</b>	<b>389.49</b>	reduced <b>123.80</b>

Note: Information disclosed in accordance with **GRI 305-5** framework on indirect reduction of greenhouse gas emission

Therefore, in 2020, the emission of greenhouse gas was at 389.49 tons. While, in 2019, the emission of greenhouse gas was at 513.29 tons. In comparison, in 2020, the emission of greenhouse gas was reduced by 123.80 tons, or 24.11%.

### **Waste Management**

#### **Commitment and Goals**

The problem of solid waste and hazardous waste is becoming increasingly serious every year. In 2018, the amount of solid waste across the country was about 28 million tons, with only 30% being properly disposed technically. Another 70% was thrown away in piles that increased every year. Sabina is aware of this issue and therefore focuses on waste management and promotes several types of recycling in order to reduce greenhouse gas emissions - carbon dioxide. In addition, the environment and the communities must not be negatively affected. This leads to the continuing management of green industry. The wastes are divided into 2 categories, including general waste and waste generated from production process. The management goals are as follows:

#### **Waste Management Goals 2020**

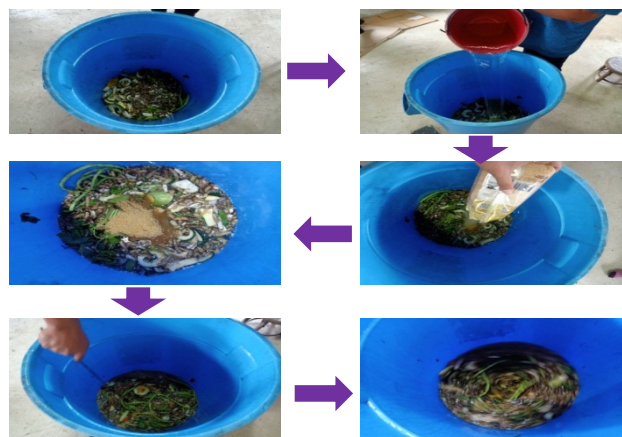
1. Reduce general waste, which is landfill waste not less than 30%.
2. Use waste to make bio-compost and bio-fermentation water not less than 50 kg.
3. Collect milk and UHT drink cartons and donate at least 50 kg to green roof projects.
4. Reduce waste generated from the production process not less than 30%.
5. Prevent waste from operations for not causing adverse effects on the communities and the environment.

### General waste management guideline

Sabina uses 3R principles: Reduce, Reuse, and Recycle in the effort to lower the amount of garbage by:

- Reuse: Campaign and promote the use of 2-sided paper in general work.
- Reduce: Review forms to be adjusted the size from A4 to A5 (half the size of A4) and use the paperless method by using Google Form and sending an e-mail instead of printing. Aside from this, the Company also refrains from using the single-use utensils to reduce waste from Styrofoam boxes, foam cups, plastic spoons, or paper plates.
- Recycle: Conduct in 2 projects as follows:

**Bio-fertilizer and bio-composting 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 and UHT beverage carton collection 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  $1 \times 2.40$  m uses approximately 2,000 beverage boxes.



**Yasothon factory**



**Buriram factory**



**Chainat factory**

In addition, all factory factories 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**



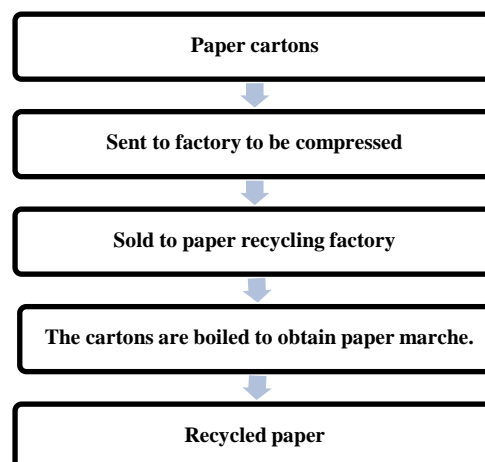
**Head office**

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.

#### Guidelines for the management of waste from the production process

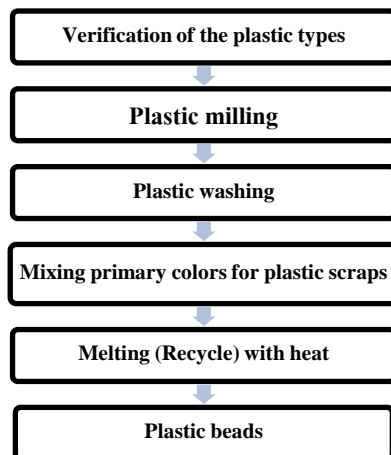
The company has implemented the Zero Waste program (details in responsibility for production) and proceeded to sort waste from the production process to facilitate waste management with reliable sources, and licensed waste disposers to bring paper boxes, bags, and plastics for recycling. While, the rags, 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

#### Performance of general waste management in 2020

The general waste targeted at 30% reduction in landfill can actually be reduced at 43%, enabling a reduction of greenhouse gas emissions up to 107,964 Kg CO<sub>2</sub> (landfill waste 1 Kg CO<sub>2</sub> emissions 0.842 Kg. CO<sub>2</sub>)

	2018	2019	Q1/2020	Q2/2020	Q3/2020	Q4/2020	Total 2020	Reduced by %
General waste (kg.)	517,771	296,170	46,002	37,126	40,490	44,329	167,947	43%
Carbondioxide emission Kg.CO <sub>2</sub>	435,964	249,375	38,734	31,260	34,092	37,325	141,411	

Note: Information disclosed in accordance with GRI 306-2 on types of waste and disposal methods

As for the implementation of the general waste recycle project, the results are as follows:

The goal for reducing general recycling waste	Goal 2020 (Kg.)	2020			
		Oct	Nov	Dec	Total
Bio-fertilizer and bio-composting project (grass waste, food waste)	50	45	25	18.5	88.5
UHT milk carton collection project to donate in the Greenroof Project	50	4.06	36.34	14.84	55.2

Note: Information disclosed in accordance with GRI 306-2 framework on types of waste and disposal methods.

#### Performance of waste management from production processes in 2020

As a result of the operations, the amount of waste produced in the production process is reduced by 40% and delivered to a properly licensed waste disposal contractor.

	2018	2019	Q1/2020	Q2/2020	Q3/2020	Q4/2020	Total 2020	Reduced by%
Waste generated from production (kg.)	79,545	372,059	91,482	39,966	45,856	45,901	223,205	40%

Note: Information disclosed in accordance with GRI 306-2 on types of waste and disposal methods

The implementation of various measures to manage the waste caused by the operation does not affect the community, especially the Tha Phra and Phutthamonthon Sai 5 factories. Both factories have surrounding communities and the Company has no complaints since they have begun their operations until now. The 2020 negative impact of the Company's operations in surrounding communities found that the number of people affected by solid waste was low and could be managed.

## Community Impact Assessment of Tha Phra factory

ระดับผลกระทบ	มาก / แก้ไขด่วน	ปานกลาง / จัดการเพิ่ม	น้อย / ควบคุม	ไม่กระทบ
1. น้ำทิ้ง				
1.1. ทางเดิน/การไหลการระบายของน้ำ			14%	86%
1.2 สภาพของน้ำที่ปล่อย(สี/กลิ่น)			29%	71%
2. อากาศ				
2.1 ระบบการจัดการปล่อย อากาศวัน			14%	86%
2.2 สภาพของอากาศวันที่ปล่อย(ฝุ่น/กลิ่น)			14%	86%
2.3 ผลกระทบต่อสุขภาพ			14%	86%
3. เสียง				
3.1 ผลกระทบทางเสียงจากการทำงาน			29%	71%
3.2 ผลกระทบทางเสียงจากการจัดกิจกรรมต่างๆ		14%	43%	43%
4. ขยะมูลฝอย				
4.1 ระบบการจัดการขยะมูลฝอย(สถานที่อุปโภคบริโภค)			14%	86%
4.2 สภาพของขยะจากบ้านครัว(กลิ่นพื้นที่สาธารณะสกปรก)			57%	43%
4.3 ผลกระทบต่อสุขภาพ			14%	86%
5. การจราจร				
5.1 การจัดการระบบการจราจรตามพื้นที่ขายของ		29%	43%	29%
5.2 ผลกระทบจากกลิ่นไอเสียเสียง		14%	29%	57%

## Community Impact Assessment of Sai 5 factory

ระดับผลกระทบ	มาก / แก้ไขด่วน	ปานกลาง / จัดการเพิ่ม	น้อย / ควบคุม	ไม่กระทบ
1. น้ำทิ้ง				
1.1. ทางเดิน/การไหลการระบายของน้ำ		17%	17%	67%
1.2 สภาพของน้ำที่ปล่อย(สี/กลิ่น)			33%	67%
2. อากาศ				
2.1 ระบบการจัดการปล่อย อากาศวัน			17%	83%
2.2 สภาพของอากาศวันที่ปล่อย(ฝุ่น/กลิ่น)			17%	83%
2.3 ผลกระทบต่อสุขภาพ			17%	83%
3. เสียง				
3.1 ผลกระทบทางเสียงจากการทำงาน			17%	83%
3.2 ผลกระทบทางเสียงจากการจัดกิจกรรมต่างๆ			17%	83%
4. ขยะมูลฝอย				
4.1 ระบบการจัดการขยะมูลฝอย(สถานที่อุปโภคบริโภค)			17%	83%
4.2 สภาพของขยะจากบ้านครัว(กลิ่นพื้นที่สาธารณะสกปรก)			17%	83%
4.3 ผลกระทบต่อสุขภาพ			17%	83%
5. การจราจร				
5.1 การจัดการระบบการจราจรตามพื้นที่ขายของ		17%	17%	67%
5.2 ผลกระทบจากกลิ่นไอเสียเสียง			17%	83%

## Waste Management Performance for a 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.

### Production responsibility

#### Commitment 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.

#### 2020 Goals

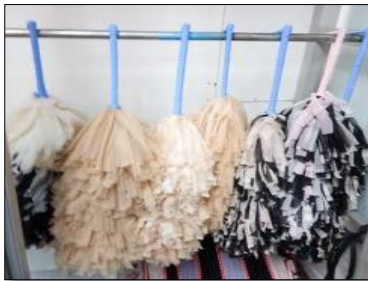
1. The number of raw materials left over from production recycle to various products is not less than 0.25 %.
2. The recycling of the remaining raw materials from production into various products is sold and raised funds for Mae Jintana Thanalongkorn Foundation at least 40,000 baht/year.
3. The reusing of packaging box is not less than 50%.

#### Operational guidelines to be responsible for production

The Company has merged the Cost Department, which is responsible for calculating the quantity of raw material consumption and the Purchasing Department, which is responsible for purchasing and sourcing raw materials, to be able to purchase and procure the correct amount of raw materials and the accurate changing quantity in a timely manner and as little excess as possible. It is considered as a minimal use of resources and raw materials. This operation began in August 2020.



In this regard, the Company has implemented the Zero waste project by bringing raw materials left over from production, such as sponges, cloth, rubber, wool, etc. to be recycled and processed into products, such as duster, pillow, crib, doormat, microwave gloves, etc., as well as sold to employees at a cheap price to raise funds for Khun Mae Jintana Thanalongkorn Foundation, which will be utilized for further scholarship.



In addition, since the year 2020, there has been a COVID-19 outbreak. Sabina has used raw materials left over from the production to make cloth masks for employees and donated a total of 284,108 pieces.



Which donated cloth masks to employees, communities, government agencies At the Yasothon factory As well as supporting labor in producing Win Mask for medical use Siriraj Hospital Personnel And the general public in the amount of 100,000 pieces as well as donation of masks and cloths to the Thai Red Cross Society and the Medical Good Governance Foundation Ministry of Public Health In the project of Thai children fighting COVID, totaling 100,000 pieces, resulting in an opportunity to produce cloth masks during the face mask shortage of approximately 90 million baht and the Triple Mask Series product, which in the past year has generated approximately 35 million baht.

The Company also reuses the box and set a symbol on the box to know how many times the box has been used. The number of box deliveries and returns from all factories must be recorded every month in order to make the most use of the resources.



In addition, the company has a project to support the community. To take part in solving income problems of the community. Nam Phao village, Yasothon Province by using raw materials left over from production Let the community process into feather duster products, cribs, doormats, microwave gloves, and cloth bags sent back to sell to bring income to the Im-Boon room. In the past year, this project made people in the community earn 44,011 baht.





### Performance for responsible production

Following the merging of the Cost Department and the Purchasing Department, the number of key raw materials used in productions are as follows:

Indicator	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2020
Number of staples - fabric used in production (yards)	647,622	592,297	452,953	455,683	6,445,665

Note: Information is disclosed in accordance with GRI 301-1 Framework on materials used by weight or volume.

The target percentage of bringing raw materials left from the production to recycle as various products is set at not less than 0.25%, but the actual achievement is 0.31%.

Using raw materials left over from production for processing compared to the main raw materials in 2020, equal to is 6,445,665 yards						
Duster	Doormat	Microwave gloves	Crib	Pillow	Fabric face mask	Total (yards)
448.1	555.1	32.9	320.7	134.4	20,200.1	21,388.0
0.01%	0.01%	0.001%	0.005%	0.002%	0.31%	0.33%

Note: Information disclosed according to GRI 301-2 Framework on recycle input materials used

The targeted raising funds from processing production leftovers for sales to employees and donation to Khun Mae Jintana Thanalongkorn Foundation was 40,000-baht, with the actual achievement of 44,810 baht.

Duster	Doormat	Microwave gloves	Crib	Pillow
170 Pcs	427 Pcs	69 Pcs	94 Pcs	512 Pcs
3,400 baht	8,540 baht	690 baht	6,580 baht	25,600 baht
Total 44,810 baht				



According to the goals of returning 50% of the packaging for reuse, about 73.4% can actually be reused.

Indicator	2019 Average/month	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2020 Average/month
Delivery box quantity (Number of boxes)	2,454	2,047	1,706	2,009	2,646	2,102
Quantity of returned boxes to be reused (Number of boxes)	1,250	1,343	902	1,778	2,150	1,543
Ratio of returned box reused quantity (%)> 50%	49%	65.6%	52.9%	88.5%	81.3%	<b>73.4%</b>

## Social Responsibility



### Khun Mae Jintana Thanalongkorn Foundation

#### Commitment and goals

The Company determines to provide educational opportunities for young people with good performance but lacking funds, namely the provision of education for people with physical disadvantage or the disabled. They are important forces of the country in the future. The Company encourages such youth and people to have the opportunity to study and apply knowledge to help develop the society and their country. The foundation has begun with providing educational scholarship for the children of employees under “Adul-Jintana Thanalongkorn Scholarship”. The Company oversees the relationship between the organization, the society, and the community. Therefore, the company has established Khun Mae Jintana Thanalongkorn Foundation on July 27, 2009 with the objectives as follows:

1. Promote and support educational activities.

2. Provide funds to help the underprivileged and / or students who are well educated but lacking funds.
3. Not seeking any benefits or profits from the Foundation.
4. Collaborate with other charitable organizations for the public benefits.
5. Not conducting any businesses related to politics in any cases.

Khun Mae Jintana Thanalongkorn Foundation has begun to provide scholarships to school / university students from 2010 up to the present. In 2016, Khun Mae Jintana Thanalongkorn Foundation was announced by the Ministry of Finance as a non-profit organization, No. 928. This allows the Foundation to issue a receipt for donation with legal tax deduction.

#### Operational goals for 2020

1. Provide income to support the foundation at least 2,500,000 baht / year.
2. Support educational activities of at least 60% of the foundation's income / year.

#### Operational guidelines to provide income to support the Foundation

The Company provides support by donating money to the foundation every year. In 2020, the Company donated 500,000 baht for the operation of the foundation, accounting for 16.28% of the foundation's income. In addition, the Company supports employees in organizing activities on the anniversary of the foundation, Mother's Day and Father's Day by selling food and consumer products, playing various games, and raffles. Also, it provides support to employees in conducting 5S practice at home by cleaning up items that are no longer in use, but still in good condition and useful. Additionally, the Company gives donation to Hong Im Boon (available at all factories) to sell products at cheap price to raise income to the foundation.



From the implementation of the Factory Model Project, the third parties who have requested to visit the factory to share their experiences of working improvement, such as trading partners, are informed about the Foundation's operations and provide their donation to support the operation of the foundation.



There are also general customers who want to make merits in order to create educational opportunities for youth and the disadvantaged. Donation can be made through donation boxes at SABINA SHOP nationwide.



#### Operational Guidelines to Support Educational Activities

To achieve the goal of supporting educational activities at no less than 60% of the Foundation's income, the Company has set the criteria for funding, with applicant qualifications, and public relations guidelines to publicize this opportunity to reach applicants from all over the country, using the main channels, including:

1. Facebook Fan page : Khun Mae Jintana Thanalongkorn
2. Line OA: SabinaThailand
3. Contacting the school directly from the Foundation staffs
4. [www.sangfans.com](http://www.sangfans.com) and Facebook Fan page: TCAS receives direct funding from Sangfans.com.

As well, following the internal relations of the company, many students are interested in applying for scholarships in 2020.

### Picture of Foundation scholarship through public relations channel



Image used to promote in Foundation on Facebook page Line OA : SabinaThailand Sangfans.com

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.

In addition to providing scholarships in 2020, the Foundation and Sabina Public Company Limited have jointly supported the donation of 100,000 pieces of fabric facial masks, amounting to over two million baht through the project " Thai Kids Fight COVID (#TKFC) ", a collaboration between the Medical Governance Foundation, a volunteer initiative to fight COVID by the Thai Red Cross Society, to provide quality protective

masks to schools in remote areas, and the needy students across the country to be part of the co-preservation, and protection of personnel who are a vital force of society and the nation in the future.

Photo from the donation of fabric masks by Sabina Public Company Limited



#### Performance to provide income to support the Foundation

From the implementation of the activities mentioned above, the Foundation is able to provide more than 2,500,000 baht that excessive the target, despite the coronavirus outbreak.

Year	SABINA PCL	Income from other channels	Total
2018	500,000	2,690,118	3,190,118
2019	500,000	2,640,805	3,140,805
2020	500,000	2,571,828	3,071,828

#### Results of Operations to Support Educational Activities of the Foundation

Following the operations to support, in terms of **personnel, equipment, and other necessities with the voluntary spirit of the employees** of Sabina Public Company Limited and Sabina Fareast Company Limited, the Company could support educational activities at least 60% of the Foundation's income.

Year	Foundation income	Educational activity supporting funds	Ratio of the supporting funds
2018	3,190,118	2,183,996	68.5%
2019	3,140,805	2,149,570	68.4%
2020	3,071,828	3,611,200	117.6%

Up to present, a total of 2,021 scholarships have been awarded, with 1 educational institution, amounting to over 18,560,000 baht.

Number of people receiving scholarships from 2010 - 2020						
Year	Annual scholarship	Continuing scholarship	Disability scholarship	Total scholarships	Good academic performance scholarship amount (baht)	Total scholarship amount (baht)
2010	75	0	0	75		347,000
2011	63	8	48	119		746,000
2012	108	20	63	191		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 scholarships 1 educational institution	178 scholarships 1 educational institution	47,000	1,697,000
Total	1301	320	400 scholarships 1 educational institution	2,021 1 educational institution	311,000	18,560,000

The proud achievement from the support of Khun Mae Jintana Thanalongkorn Foundation's continuing education scholarship has granted to 20 potential graduates, who become a driving force in the future of the nation from 2016 up to the present.



List of graduates receiving scholarships from Khun Mae Jintana Thanalongkorn Foundation for Continuing  
Education



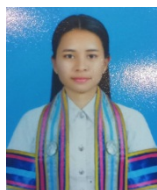
Name-Surname	Miss Umaporn Ponchai	Miss Supreeya Seripong	Miss Wanchareeporn Boontan	Miss Malinee Pulaiyao
Institution	Thonburi Rajabhat University	Buriram Rajabhat University	Maharakham University	Ubon Ratchathani Rajabhat University
Faculty	Business Administration	Education	Science / Microbiology	Librarian 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 Piyaat 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, Siriwatwittaya School, Chonburi Province	Freelance model

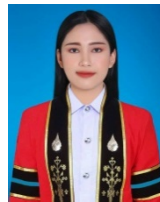


Name-Surname	Mr. Nattapong Churat	Mr. Piyaway Sricha	Mr. Phala Chidpratum	Miss Sukanya Wiriyapong
Institution	Khon Kaen University	Khon Kaen University	Khon Kaen University	Kasetsart University
Faculty	Nursing Science	Agriculture	Science	General agriculture
Graduation year	2019	2019	2019	2019
Current 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

### “Sewing Cup Sewing Heart”

#### Commitment 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.

#### Action goals for 2020

The Company aims to produce artificial breasts and have volunteers to sew artificial breasts for donation, not less than 19,000 breasts / year.

## 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 2020, it has been the Company's 14 consecutive years of conducting Sewing Cup Sewing Heart project. The project has received support from PTT Global Chemical Public Company Limited that provided high purity LLDPE plastic products, total 3300 kg., without chemicals to be used as materials to replace the weight of the missing breast of women. The Company has also obtained the calico from upcycling process of 2,500 yards to be sewn as the bags for the artificial breasts. It has also been supported by Robinson Public Company Limited as a distribution point to organize a volunteer event to join in the artificial breasts sewing project at Robinson's 49 branches nationwide. More than 13,350 artificial breasts have been received from the volunteers.



The Company focuses on raising awareness on the threat of breast cancer and to have participants joining in the campaign which launched through online public relations channels under the concept of "4 minutes". Four minutes of your life can fill the happiness of breast cancer patients with the success of the 13<sup>th</sup> year of public relations.



The awareness and engagement of the target audiences have been increased by using online channels through the use of AR filters and micro-influencers on Facebook and Instagram platforms to serve as a voice to generate broad awareness.



In addition, the Company organizes the artificial breasts sewing activity both inside and outside the organization, with cooperation from volunteers from various agencies, faculties, students, and people of all genders and ages who were interested in participating in many activities such as:

- International Demonstration School Parents Association of Mahidol University at Sabina Building Head Office (23 September 2020)
- "Save Life Save Breast activity: early detection, early chance of treatment, early chance of saving the breast" at Central Bangna Department Store (1-7 October 2020)

- Student activities at Suan Sunandha Rajabhat University (7 October 2020)
- Robinson Department Store, Rayong (9 October 2020)
- More than 200 students from Satriwithaya School at Sabina Building, Head Office (November 2020)
- Millennium Hilton Bangkok (4 December 2020)



With the access to more patient data, the Company has developed an additional cup size of the artificial breasts, from size 40B to the size 46B to better support the patient's various physiques.

### Performance

Following the effective operations throughout 2020, as well as an increasing of production on demand, the Company is able to produce more than 19,000 artificial breasts / year, with a total number of 23,000 artificial breasts made.

Year	Number of artificial breasts produced	Number of artificial breasts donated	Accounted for %
2018	15,200	15,200	100
2019	19,000	19,000	100
2020	23,000	23,000	100

The company still aims to continue raising the awareness of the dangers of "Breast cancer", which is one of the most serious threats to Thai women. The Company also wishes to be a part of encouragement to all patients through artificial breasts project continuously and endlessly.



## Heartwarming fund project

### Commitment and goals

The management has made a visit to all factory of the Company to view the operations to give an opportunity to discuss and inquire closely with the employees about living conditions, including problems at work and personal issues. It was found that personal problems affect work in many dimensions, especially the debt problem arising from the life's necessities. This is the basis for the establishment of the Heartwarming fund project to alleviate the debt burden of the employees who owe credit card debts, cash cards debts and / or informal debts due to the need for money in emergency situations.

### Action goals for 2020

Since the launch of operation in 2019, the Company has surveyed employees' debts from credit cards, cash cards and / or informal debts, with a credit limit of 1.6 million baht. The Company has set a goal to alleviate the burden of employees within a period of 1 year, starting from March 2019 to March 2020.

### Operational Guidelines for the Heartwarming fund project

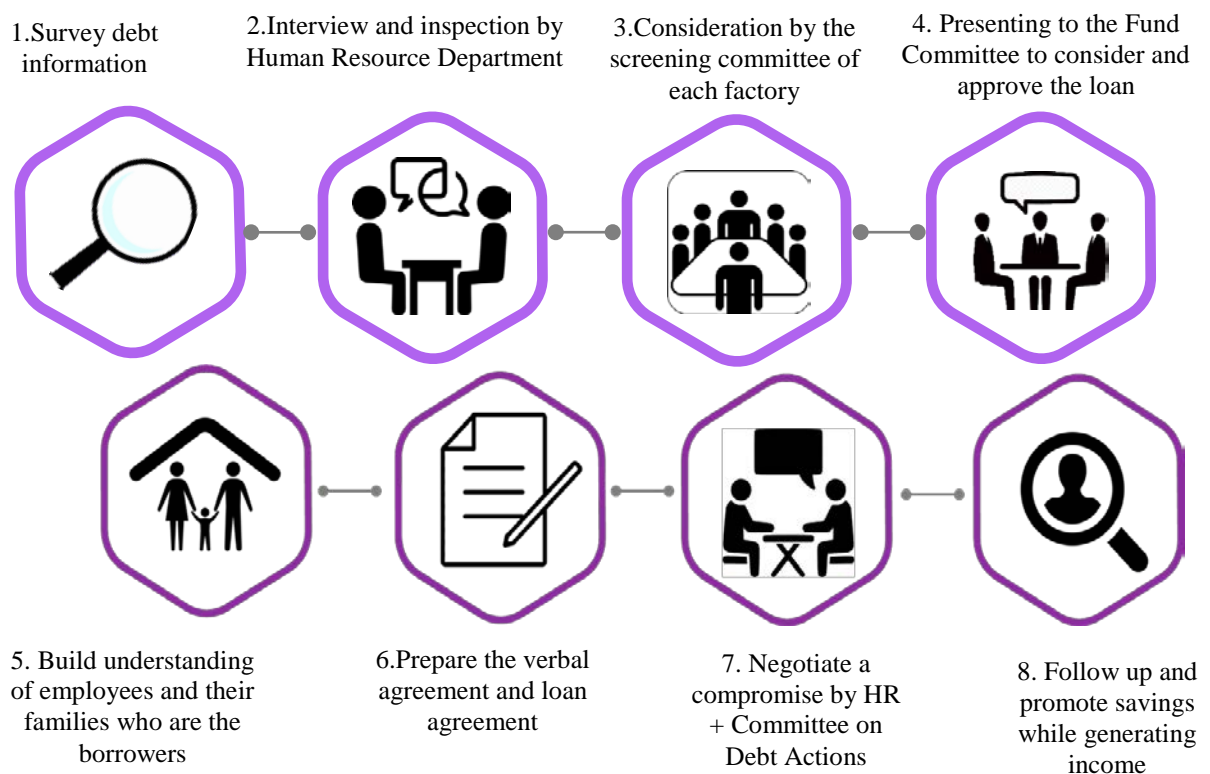
The operation has begun with the promotion of Heartwarming fund project at all branches to announce the objectives, goals, operating principles, and conditions of the Central Committee and the Screening Committee at each factory. Then, the Company announces the recruitment of those interested employees to join in the project.



The human resource department of each branch reviews the preliminary information to submit for consideration process by the screening committee of the factory. The Committee receives a standard training, such as scrutinizing process from experts in order to find the root cause of employees' debt problems, as well as screen and select employees who are facing problems to offer help as appropriate according to the fund objectives. The Committee also offers consultation regarding sustainable debt management. Employees who participate in the Heartwarming fund project shall receive a loan at a sum of 3-5 times of their salary at the interest rate of 0% per annum with a 3–5-year installment period. The employees will not have to pay back the loan during the first 6 months, so that they can start to pay back in installments from the 7<sup>th</sup> month onwards.

The process starts from a preliminary survey of debt data by interviewing and reviewing documents, then sending them to the Committee of that factory for consideration before submitting to the Central Committee for approval. After the approval, the Human Resource Department at each factory invites employees and their families to acknowledge and set a mutual understanding, encourage means of earning additional income, and join the effort to manage debts within the family. A verbal promise is made before signing the actual loan agreement on paper. Then, the human resource department of each factory negotiates for debt settlement and follow up on their well-being as a continuous support for the employees to overcome this crisis.

#### Heartwarming fund procedures



In addition, a household accounting campaign is organized for the employees to learn and be careful with their spending. By building the employees' knowledge and understanding of debts and financial management, the program participants gain sustainable ways to manage their personal problems and enable to struggle with making ends-meet due to life's burden, as well as to have a guideline on how they can manage their finance before facing problems of insolvency. This results in a decrease in the number of employees participating in the program.

#### Heartwarming fund performance results

Since the start of recruiting for interested employees to join the first project from March 2019 to March 2020, the Heartwarming fund Committee has reviewed and screened people suffering from credit card debt, cash card debt and / or informal debt due to emergency needs of money in their living, at a total of 31 people. In 2019, there were 24 people who participated in the project, totaling loan at 1,097,640 baht and in 2020 there were 7 people who participated in the project at a loan amount of 627,000 baht or 1,724,640 baht in total for the 2 years, slightly higher than expected targets. The Company has campaigned for household accounting, building knowledge, and understanding in managing debt problems and their own finances, along with the operation of Heartwarming fund project.

Factory	2019		2020		Total	
	No. of person	Amount (Baht)	No. of person	Amount (Baht)	No. of person	Amount (Baht)
Head office	9	410,640	2	222,000	11	632,600
Sales employees	4	212,000	2	110,000	6	322,000
Sai 5	3	127,000	1	57,000	4	184,000
Tha Phra	4	225,000	-	-	4	225,000
Chainat			-	-	0	0
Yasothon	4	123,000	-	-	4	123,000
Buriram			2	238,000	2	238,000
Total	24	1,097,640	7	627,000	31	1,724,600

In 2021, the Company continues to set a goal of helping employees who suffer from debt problems arising from necessity for their living. In addition, the Company has modified the conditions for applying for Heartwarming fund to provide employees who are suffering from credit card debts, cash cards debt, and / or informal debt with easier access the Heartwarming fund project for the second phase. In parallel with the Heartwarming fund is the campaign to build financial discipline, especially household accounting. This is an action to prevent debt burden arising from unnecessary expenses or overspending because it is believed that "having no debt is a great fortune". If the employees experience debt problems arising from the necessity of living, which affect their quality of life, state of mind, and performance, the Company is ready to offer sincere help and support in order to overcome the obstacles together with the employees as one.

### Factory Model

#### **Commitment and goals**

There are many challenges that businesses face in their operations, including risks and opportunities. Therefore, the Company must constantly adapt and develop ourselves in order to survive and grow with stability and sustainability. Sustainable growth also needs to be driven by effective people. Sabina, therefore, realizes the development of human resource potential which is a valuable resource by providing training, training and involvement in the management, improvement of work and application of management tools on an ongoing basis. The Company also wants to be a learning organization to share experiences in improving and developing the organization with people who are interested in general, exchanging ideas for further development and providing opportunities for students from various institutions to intern in the organization according to the curriculum. The company has introduced the 5S project, with the surrounding community to participate in solving community problems.

#### **Goals of 2020**

1. The number of SGA Leader developments is not less than 250 people.
2. The number of educational institutions for training is not less than 30 people.
3. Participation in solving community problems. The Company generates income from 5S and Zero Waste projects to the community.



### Operational Guidelines for Personnel Potential Development

The Company has conducted the Small Group Activity Leader development project to learn the concepts-management tools in Management Skill and Self Esteem through 8 courses as follows:

Management Skill					Self Esteem		
Kaizen	5 S and increase of production	Lean System	IE for non IE	QCC	Leader Ship	Work Happiness	HR for non HR

In addition to the potential development training, SGA Leaders must pass a knowledge test after passing the training to meet the specified criteria. If not passed, the training must be repeated and tested until the criteria are met. During their term of duty, SGA Leaders will be invited to periodic meetings to develop leadership potential (Leader Ship), which enables SGA Leaders to support local work improvements, as well as maintain the work area in accordance with the 5S standard and have a score of inspection of not less than 75% in order to improve the working environment. (Details on safety, occupational health and working environment)



SGA Leader group meeting



Presenting a certificate to SGA leader who has passed the test.

### Operational guidelines for 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



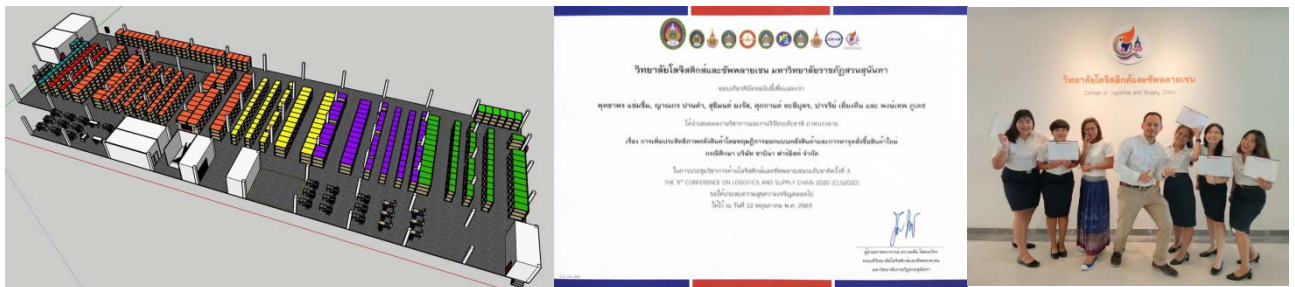
CBCE (Center for Building Competitive Enterprises) has selected Sabina Factory, Phutthamonthon Sai 5 factory as the educational visit site for the fourth year. The factory is used as an example of learning for medium-sized companies and businesses in terms of production and cost control under the principle of cost reduction management.



Number of visitors who conducted educational site visit during 2018 - 2020

	2018	2019	2020
Sai 5	152	397	76
Tha Phra	2	16	-
Chainat	6	8	-
Yasothon		51	70
Buriram	160	219	130
Total	320	691	276

In addition, the Company offers educational institutions an opportunity to send students for internships as well as complete projects according to the course, with the staff of the Company supervising, advising, and offering consultation throughout the duration of the internship. Starting in 2017, 9 students have received internships with the Company. In 2020, students Suan Sunandha Rajabhat University has applied for an internship at the Company in order to conduct their final dissertation for graduation in Logistics and Supply Chain. The project was selected to participate in the contest at the 3<sup>rd</sup> National Logistic and Supply Chain Conference and won an excellent award for warehouse optimization based on warehouse design theory.



#### Operational guidelines for participation in solving community problems

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

```

graph LR
    A[สะสมที่บ้าน] --> B[จำเป็น]
    A --> C[ไม่จำเป็น]
    B --> D[ลดค่าใช้จ่ายในการซื้อใหม่]
    D --> E[คิดเป็นมูลค่า]
    C --> F[บริจาค]
    F --> G[โรงงาน]
    G --> H[ห้องอ้อมบุญ]
  
```

The flowchart illustrates the textile design and production process. It begins with 'สะสมที่บ้าน' (Collect at home), which branches into 'จำเป็น' (Necessary) and 'ไม่จำเป็น' (Not necessary). 'จำเป็น' leads to 'ลดค่าใช้จ่ายในการซื้อใหม่' (Reduce cost of buying new), which then leads to 'คิดเป็นมูลค่า' (Calculate value). 'ไม่จำเป็น' leads to 'บริจาค' (Donate), which then leads to 'โรงงาน' (Factory), and finally to 'ห้องอ้อมบุญ' (Aom Bun Room).

The number of SGA Leader developments in 2020 with number not less than 250 people

factory	2018	2019	2020
Sai 5	72	69	75
Tha Phra	44	-	39
Chainat	43	45	40
Yasothon	94	100	106
Number of SGA development	253 people	214 people	260 people

Number of students entering the internship program in 2020 with not less than 30 people

factory	2018	2019	2020
Sai 5	14	6	18
Tha Phra	4	-	3
Chainat	6	6	8
Yasothon	-	6	5
Buriram	-	-	-
Office	13	11	6
Number of internship students	37 people	29 people	40 people

Participation in solving community problems by generating income from 5S and Zero Waste projects to the community

factory	2020
Chainat	48,496
Yasothon	44,011
Total income to the community/prison	92,507 baht

### Safety, occupational health and working environment

#### Commitment 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 2020

##### 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**
  - 20% decrease in infirmary usage statistics.
  - 30% reduction in respiratory diseases.

#### Guidelines for Safety and 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.

Example of risk assessment

Department	Steps/Procedure	Source of hazard	Hazard	Control measure
Raw material / warehouse stock	Material handling	Material Cart	The cart may wheel over the employee's foot	Wear protective shoes
Molding process	Mold sliding and the cutting board sliding	Mold sliding machine and cutting board sliding machine	In contact with loud noise	Wearing earmuff
Cutting	Hand knife	Hand knife machine	Cut by the knife blades	Wear protective gloves
Sewing	Sew the workpiece	Sewing machine needle	Needle may prick the finger	Measures to prevent sharp objects

Note: Information disclosed under GRI 403-2 framework on Hazard Identification, Risk Assessment and Incident Investigation

The Company pays attention to fire protection in the workplace by providing adequate and appropriate fire protection equipment such as fire extinguishers, alarms, heat detectors and an emergency

water pump (Fire Pump) with a backup pond and inspect the equipment according to the plan, including training on the use of fire extinguishers and drills on an annual fire evacuation plan.



The number of employees who have received basic fire prevention and suppression training must not be less than 40%.

Factory	No. of employees	Trained employees	Account for %
Sai 5	633	288	45%
Tha Phra	290	182	63%
Chainat	405	295	73%
Buriram	356	153	43%
Yasothon	965	669	69%
Office	351	262	75%
<b>Total</b>	<b>3,000</b>	<b>1,849</b>	<b>62%</b>

Note: Information disclosed in accordance with GRI 403-5 framework on Occupational Health and Safety Worker Training.

This also includes the providing of training for employees whose work are related to chemicals. This is offered specifically at Sabina Factory, Phutthamonthon Sai 5 factory.

factory	No. of staff involved	Trained staff	Accounted for %
Sai 5	23	23	100%

Note: Information disclosed in accordance with GRI 403-5 framework on Occupational Health and Safety Worker 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 to take care of 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



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 according to GRI 403-6, Employee Health Promotion.

### Employee health care guidelines

The company provides annual health check-ups for all employees for general health and health checks according to risk factors.

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 factorys 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	633 people
Tha Phra	290 people
Chainat	405 people
Buriram	245 people
Yasothon	965 people
Total	2,538 people

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



In addition, the project has been implemented to manage safety, occupational health and working environment according to the policy of the Ministry of Labor, starting with the announcement of the policy, training for various levels of safety, establishing a safety committee which trained and registered correctly, conducting health checks for employees, measuring working environment, having electrical system inspections, providing basic firefighting training, and teaching fire evacuation drills, as well as submitting reports of professional safety officers and reports on the use of chemicals in the workplace. With all these implemented practices, the Yasothon factory and the Buriram factory received the gold level "Safety Management" award.



#### Performance of work safety supervision

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	2018	2019	2020	% difference
Sai 5	8	18	5	72%
Tha Phra	2	5	2	60%
Chainat	1	1	1	-
Buriram	0	2	2	-

Note: Information disclosed in accordance with GRI 403-9 framework on Occupational injuries

#### Performance in caring of the working environment

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	11/6/2020	14/2/2020	1/7/2020	24/6/2020	2/6/2020

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
86%	88%	78%	81%	85%

#### Employee health care performance

From the target statistics that the use of the nursing room is to be reduced by 20%, while the actual achievement was 28%

Factory	2018	2019	2020	% Difference
Sai 5	3,115	3,361	2,686	-20%
Tha Phra	1,975	1,813	1,314	-28%
Chainat	3,131	4,015	2,570	-36%
Yasothon	3,157	4,513	4,257	-6%
Buriram	1,150	4,568	2,367	-48%
Total	12,528	18,270	13,194	-28%

The target statistics of diseases in the respiratory system group is to be decreased by 30%, while the actual achievement was 48%.

Factory	2018	2019	2020	% Difference
Sai 5	691	862	451	-48%
Tha Phra	573	409	269	-34%
Chainat	664	749	219	-71%
Yasothon	1,330	1,405	973	-31%
Buriram	195	211	131	-38%
<b>Total</b>	<b>3,453</b>	<b>3,636</b>	<b>2,043</b>	<b>-44%</b>

### Human rights respect

#### Commitment and goals

Human rights are fundamental rights and freedoms that all human beings enjoy and are based on human values that speak of dignity, justice, equality, mutual respect, and independence regardless of race, gender, religion, skin color, age, education, language, and opinions. Sabina realizes the importance and value of humanity of the employees in the organization, thus supporting and promoting respect for basic human rights in the factory equally by focusing on 4 management aspects.

#### Goals of 2020

1. Non-discrimination and equal opportunity
  - Employees with disabilities receive the same benefits as normal employees.
  - Employees with disabilities are assessed for annual wages and bonuses.
2. Giving freedom of thinking of employees in the organization.
  - Employees are free to express their thoughts through polls of the constituency, with > 70% user rights.
3. Encourage employees to express their opinions through the Board of Directors and other channels.
  - Welfare committee meetings 4 times / year
  - Take action to consider improvements from all complaints
4. No violation of human rights, not using forced labor, including child labor.
  - No complaints on human rights violations, forced labor and child labor 100%



The company has set policies and practices in the principles of good corporate governance to guide the operation of respect for human rights in 4 areas in order to achieve human rights goals. (Details in Code of Conduct)

#### 1. Non-Discrimination and Equal Opportunities

The Company supports the employment of 45 disabled workers, accounting for 1.13% of the total workforce as of December 31, 2020 and takes care of an appropriate working environment as well as providing basic facilities for disabled workers regardless of their race, gender, religion, skin color, age, education, language and opinions.

factory/branch	Total no. of employees	Disabled employees
Headquarter/PC	1,427	3
Sai 5	633	20
Tha Phra	290	4
Chainat	405	5
Yasothon	971	12
Buriram	240	1
<b>Total</b>	<b>3,966</b>	<b>45</b>

Note: Information disclosed under GRI 412-1 framework on number of stakeholders under review for respect of human rights.



Ramp for disabled people



Toilets for the disabled

It also provides work supervision and working methods for employees with disabilities so that they can work properly in various departments of the organization, such as Sales Administration Department, Design Department, Warehouse and Distribution Department, Packaging Department, Cutting and Stitching Department.

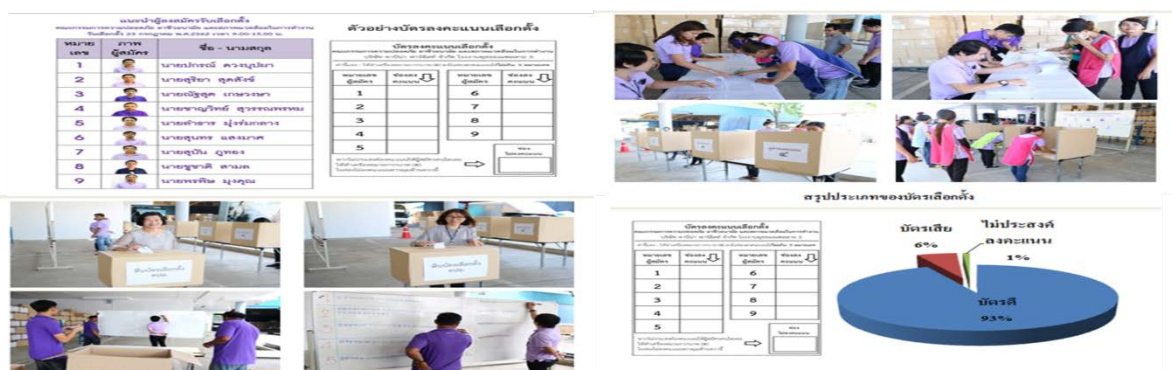


Establish standards of performance for persons with disabilities



## 2. Providing freedom of thinking for employees in the organization

The Company supports the election of the workplace welfare committee and the occupational safety, health, and environment committee to represent employees and give freedom to apply as a committee and to vote on a committee. The company organizes fair elections in accordance with the principles of international elections.





### Section 3: Encouraging employees to express their opinions

Through the welfare committee in the workplace and through the comment box channel in this regard, the company encourages to hold meetings at least 4 times / year or more in case there are additional agendas, whereby the Board of Directors will represent the employees in attending the meeting, expressing opinions and presenting opinions which are mutually beneficial among employees and Company.

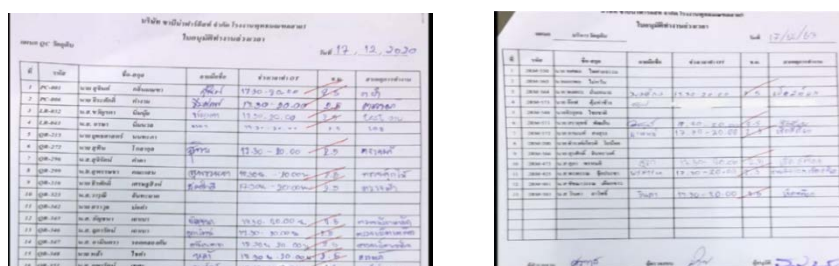


To ensure that all employees have access to express opinions or report complaints. It also serves as a channel for employees who believe they have been treated unfairly. The company has set up a comment box in every area of every factory where all comments or complaints will be considered and treated fairly.

Section 4 does not violate human rights Not using forced labor And child labor. The company expressed its intention to support Let employees know the basic human rights in job applications. And set human rights training for employees Especially security personnel And conduct an understanding exam every year To understand the fundamental rights and freedoms that all human beings enjoy And based on human values In addition, it also monitors the Company's human rights compliance policy through employee complaints (Comment boxes) and from welfare committee meetings. As well as publicizing various information of the organization through voice lines and forums And staff meeting To know information about the organization To understand each other and not a labor dispute.

However, the company does not support the use of forced labor, especially forced overtime. There will be documents asking for voluntary overtime work in advance.

## Sample documents of voluntary request to work overtime



The Company does not support the use of child labor by setting recruitment qualifications for applicants who have reached the age of 18 years or more only. In addition, the Company has selected and evaluated suppliers that are socially responsible, respecting human rights, and obey the law. The Company has communicated human rights policy to business partners for their acknowledgement and implementation to be consistent with the Company, as well as conducting supplier visits to inspect suppliers to ensure they operate their businesses fairly and not violating human rights of their employees.

## Performance: Non-discrimination and equal opportunity

In 2020, disabled employees received the same benefits as normal employees as follows:

factory	Welfare	No. of employees receiving the welfare	Amount (baht)
Office	-	-	-
Sai 5	Funeral allowance	1	7,000
Tha Phra	Medical expenses	4	1,834
Chainat	Visitation fee	1	500
Yasothon	Medical expenses	5	7,130
Buriram	-	-	-
<b>Total</b>		<b>11</b>	<b>16,464</b>

Note: Information disclosed in accordance with GRI 406-1 framework: none incidents of discrimination and corrective action

In addition, the disabled workers received the same annual assessments for 2019 wages and bonuses as regular employees.

factory	No. of disabled employees	Grade A	Grade B	Grade C	Grade D
Head office	3	1	2		
Sai 5	25	1	-	20	4
Tha Phra	4	1	2		1
Chainat	5		3	1	1
Yasothon	12	2	5	5	-
Buriram	1		1		-
<b>Total</b>	<b>50</b>	<b>5</b>	<b>13</b>	<b>26</b>	<b>6</b>

Note: Information disclosed in accordance with GRI 406-1 framework: none incidents of discrimination and corrective action

**Performance: Giving employees the freedom of thinking in the organization**

In this regard, the number of employees exercising their right to vote to elect the Welfare Committee and the Committee of Safety accounted for more than the 70% target (as detailed in the table below).

factory	Number of employees who voted	
	Welfare Committee	Safety committee
Office	Appointed, due to the exact number of applicants	Appointed, due to the exact number of applicants
Sai 5	93.00%	99.06 %
Tha Phra	97.86%	Appointed, due to the exact number of applicants
Chainat	96.65%	94.19%
Yasothon	90.79 %	86.00%
Buriram	Appointed, due to the exact number of applicants	Appointed, due to the exact number of applicants

**Performance:** Encourage employees to express their opinions through the board of directors and other channels.

Welfare committee meetings 4 times / year

factory	2019		2020	
	No. of meetings held	Average attendants / meeting	No. of meetings held	Average attendants / meeting
Office	4	5	4	5
Sai 5	8	7	5	7
Tha Phra	8	5	5	5
Chainat	4	12	4	8
Yasothon	7	7	7	7
Buriram	4	5	4	5

Number of complaints in 2020, total 23 complaints, which have been fully reviewed and resolved.

factory	Number of comment boxes	Issues in 2019	Issues in 2020
Office	1	-	-
Sai 5	5	4	2
Tha Phra	2	1	1
Chainat	1	15	10
Yasothon	3	15	5
Buriram	3	7	5
Total	15	42	23

**Performance:** No human rights violations, not using forced labor and child labor

As the Company has taken various measures to protect human rights, the Company has received no complaints about human rights violations, forced labor and child labor, including no labor disputes since the opening of each of Sabrina's factory factory. In addition, the Company received the Best Establishment Award for Labor Relations and Labor Welfare 2020 from the Ministry of Labor as follows:

- Yasothon factory received the award for the 15th year
- Tha Phra Factory received the award for the 13th year
- Phutthamonthon Sai 5 factory received the award for the 11th year

The Company has been certified by Thai labor standards (Tha Phra Factory) and certified by WRAP (Phutthamonthon Sai 5 Factory).



## Good Governance

### Business Code of Conduct

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.

(Further details on business ethics can be found on the Company's website under Investor Relations on the topic of good corporate governance )

---

## Anti-Corruption

### **Operations in accordance with the Anti-Corruption Policy**

The Company and its subsidiaries have a policy to operate business that is correct, transparent, taking into account the benefits of the organization. We do not support operations that are in the nature of intellectual property infringement, or any particular political parties and we do not lean towards any side in particular. The Company has established a policy that emphasizes the participation of everyone in the organization to be aware of the negative effects of corruption and the creation of good values without imposing any risks to damage the business. All personnel of the Company and subsidiaries are required to follow the policy strictly. Employees are sent to participate in training courses on the prevention of corruption organized by various institutions to receive education and refresh their knowledge, including developing the disclosure of anti-corruption information of the Company and its subsidiaries.

In this regard, the Company and its subsidiaries have communicated both inside and outside the organization in order to create awareness and understanding with stakeholders of the Company and its subsidiaries that there must be no giving and / or requesting, accepting or agreeing to receive cash, goods or any other benefits from those stakeholders of the Company and its subsidiaries either from public and private sector, including not processing or taking any action that falls within the aforementioned criteria. There must be no demanding, proceeding, or accepting bribes for the benefit of either the Company or subsidiaries, towards oneself, family, friends, and acquaintances. If the Company's personnel do not comply with this policy, disciplinary action is required. The method of punishment will depend on facts and circumstances. At the same time, the Company and its subsidiaries have no policy to downgrade, punish, or adversely affect employees who refuse to be corrupt, even if doing so will cause the Company to lose business opportunities.

At present, the Company and its subsidiaries have implemented the anti-corruption program in 4 levels as follows:

Level 1: Commit: To serve as a guideline or commitment to act together and reach the common goal of anti-corruption.

Level 2: Declare: It is an announcement for the outside and the coalition to know our intention to act on this matter.

---

Level 3: Establish: The organization must define measures to prevent corruption that may occur as a practice by setting norms for general acknowledgement.

Level 4: Certify: When the above levels are met, there will be 71 requirements of the Thai Private Sector Collective Action Against Corruption (CAC) to verify that the organization has met the criteria and the Company must continue to seek certification as an anti-corruption organization, which will be audited from outside every 3 years and the certificate will expire on May 17, 2021. The Company has submitted documents to renew the certificate (this is the third renewal of the certificate) in December 2020 and will receive the result of the certificate renewal in March 2021.

In this regard, the Company and its subsidiaries have adopted policies to formulate practical measures by engaging each agency in determining the practice of their own units in order to control the work appropriately by having a centralized approach that is a common approach to the organization and additional parts of each department to be more in line with operations more clearly.

#### **Anti-Corruption and Corruption Policy**

The Board of Directors of the Company and its subsidiaries have a policy for the Company's personnel to operate their business with transparency and must not seek any benefits or profits that lead to corruption and to strictly comply with the law for clarity and control in operations that are at risk of corruption. The Company and its subsidiaries must be aware of the operating practices of internal departments that may lead to corruption as follows:

#### **Guideline**

- Personnel of the Company must not act or support corruption to facilitate their work, business operations or personal interests of departments within the Company and its subsidiaries together.
- Products, Materials, Cutters, Premiums, Gift vouchers or other tools, materials and equipment, as well as sales items for cash and petty cash are considered the property of the Company and its subsidiaries and cannot be used for personal use.
- Information, methods, processes, reports and programs about formulas and product designs of the members of the Company are considered the intellectual property of the Company, not to be infringed and disclosed to anyone. Intellectual property of the Company and its subsidiaries and cannot be modified or copied for personal use.

- 
- The work practices of the agency must follow the procedures in accordance with the standards, regulations and regulations of the Company and its subsidiaries, not to open the channels for acts related to corruption as follows:
    - 1) Opening orders for products to sell directly to the target customers, if it is to be performed outside the rules, it must be approved by the authorized person only.
    - 2) Opening the order list to display the products to customers in the right quantity. If it is to be performed outside the rules, it must be approved by the authorized person only.
    - 3) Selling products at the specified price and promotional programs.
    - 4) Record and review sales data according to actual sales volume and according to the standards and regulations of the Company and its subsidiaries.
    - 5) Record and review the information on the return according to the items returned from the store only.
    - 6) Record and review delivery information according to the list of products that have been opened order 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 according to the plan.
    - 9) Avoid marketing communications that are directly comparable to competing products or services.
    - 10) Open an order for online sales according to the item and quantity ordered by the customer only.
    - 11) Design products for the work of the company and subsidiaries only, without bringing outside work to do on the job. Employees must prioritize the interests of the Company, its subsidiaries, and customers.
    - 12) Research and develop products for the work of the Company and its subsidiaries only, without bringing outside work to do on the job. Employees must prioritize the interests of the Company, its subsidiaries, and customers and do not disclose confidentiality about products of the Company and subsidiaries.
-



- 
- 13) Must be neutral when purchasing or procuring to ensure that no influence will affect the selection decision. The standards and regulations of the Company and its subsidiaries must be strictly adhered to.
  - 14) In case of modifying / changing raw materials or modifying cost prices, the matter must be received from the purchasing agency and merchandiser only. After the amendment has been completed, the relevant departments must be informed.
  - 15) The receiving and withdrawing of raw materials, including cutting pieces, the accuracy of documents and raw materials must be checked to ensure that they match.
  - 16) The process of recruitment, staff selection, training, performance appraisal, compensation, promotion and termination of employees of the Company must be done correctly and fairly in accordance with the rules of the Company and the subsidiaries.
  - 17) Follow up debt and prepare a report on any abnormalities related to the collection honestly.
  - 18) Count the products at the store and prepare a straightforward report on the findings of anomalies related to the product count.
  - 19) Check the accuracy and completeness of the documents before billing, receiving billing, record accounting and adjustments to accounting entries.
  - 20) Manage accounting records, adjust accounting entries, and prepare accounting reports in accordance with the accounting policies of the Company and its subsidiaries, which are in accordance with accounting standards and other relevant laws, with the approval of the authorized person.
  - 21) Prepare accounting / financial reports that are accurate and complete.
  - 22) Prepare financial statements, accounting / financial reports, and tax returns to submit to relevant departments and disseminate financial information to general investors according to actual information that have been reviewed and approved by authorized persons.
  - 23) Keep accounting / financial documents for the period specified by law and store them in a suitable place.
  - 24) Consider the disbursement expenditure to ensure that it must be expenditure incurred from the operations of the Company and its subsidiaries accompanied by reliable
-

evidence of disbursement, which has been examined and approved by authorized persons.

25) Make straightforward payments according to the documentary evidence for disbursement and implement double payment protection.

26) Prepare honest and straightforward financial reports.

#### **Political support**

The Board of Directors of the Company and its subsidiaries has a policy for the Company's personnel to be politically impartial and not to act or support political parties or persons with political power, either directly or indirectly. The Company and its subsidiaries regard the respect of political rights and liberties in accordance with the law, adhere to the democratic regime of the King as the Head of State.

#### **Guideline**

- The Company's personnel strictly abide by the law.
- The Company's personnel exercise their political rights according to the constitutional law, such as voting rights, etc.
- The assets of the Company and its subsidiaries shall not be used to support political activities of any political party, political group, or politician in order to receive undeserved privileges or to formulate joint contracts.
- The Company's personnel avoid expressing their opinions related to politics within the Company and its subsidiaries, which may cause conflicts within the Company and its subsidiaries.

#### **Funding and charitable donations**

The Board of Directors of the Company and its subsidiaries has a policy that the Company's personnel are committed to conducting business with transparency, not seeking any benefits or profits that lead to corruption. Procedures and controls for fundraising and charitable contributions have been established, by reviewing the approvals of the Company's and its subsidiaries' authorized personnel and following up to ensure that the contribution of funds and charity donations do not lead to corruption.

#### **Guideline**

- The Company's personnel strictly adhere to the Anti-Corruption Policy on Funding and Charitable Contributions.

- Funding and charitable donations must be made on behalf of the Company and its subsidiaries only, which are not an excuse for corruption, and must have accurate, complete, and reliable evidence in order for the transaction to be verifiable.

#### **Accepting and Giving of Gifts, Assets or Other Benefits and Entertainment**

The Board of Directors of the Company and its subsidiaries has a policy of ensuring that the Company's personnel conduct business with transparency, not seeking any benefits or profits that lead to corruption by establishing policies on giving of gifts, property or any other benefits and entertainment, including establishing verifiable procedures and controls to ensure that any acceptance or giving of gifts, property or other benefits and entertainment meet the policy set by the Company and its subsidiaries and do not lead to corruption.


#### **Guideline**

- The Company's personnel strictly comply with the anti-corruption policy on accepting, giving gifts, assets or other benefits and entertainment.
- The Company and its subsidiaries set policies on accepting, giving gifts, property or any other benefits and entertainment in order to reduce the impact on the decision to perform duties with embarrassment or a conflict of interest.
- The Company and its subsidiaries do not have a prohibition on accepting gifts with the Company's logo in order to maintain business relationships or act according to tradition and morality.
- Gifts, property or any other benefits should not be cash or cash equivalents and must not be illegal.
- Entertainment must not be obligated or burdensome, create a feeling of corruption in return, and must not be in violation of regulations, rules and laws.
- In the case of selection, negotiation, sourcing, and procurement of goods, raw materials, sales area or any other benefits for the Company and its subsidiaries, there must be no demand to receive or offer of gifts, assets or any other benefits and entertainment for bribery purpose, leading to undesirable privileges or the establishment of a joint contract, as well as resulting in the staff refraining from complying with the established regulatory standards.
- The Company and its subsidiaries have communicated to the Company's personnel, including persons involved in the business operation, to create understanding and practice guidelines

for receiving gifts, assets or other benefits and entertainment of the Company and its subsidiaries

Therefore, the management, the Internal Audit Office, and the Anti-Corruption Committee, who are responsible for continually testing and assessing corruption risks, must be aware of such risk points and strictly follow the rules and regulations by presenting the results of the assessment to the Audit Committee and report to the Board of Directors respectively, as well as campaigning and raising awareness in the organization in order to achieve corporation in the same direction and to develop the organization in the future. This measure will also be a part of building good people according to the 4D policy of the Company and its Subsidiaries.

To achieve transparency, equality, and fairness to all stakeholders and to protect business interests and incentives for future rights and benefits, the Anti-Corruption Committee has prepared a policy to request for cooperation from all stakeholders to refrain from giving and accepting all types of gifts on every occasion (No Gift Policy). The Committee have sent letters to trade partners and communicating to the Company's employees to create an understanding of the policy and practice of accepting and giving of gifts, property or other benefits and entertainment.

  
 บริษัท ซาบิน่า จำกัด (มหาชน)  
 Sabina Public Company Limited

2 พฤศจิกายน 2563

เรื่อง ขอความร่วมมืองดการให้และรับของขวัญทุกประเภทในทุกโอกาส  
 เรียน ท่านประธานกรรมการ กรรมการผู้จัดการ และท่านเจ้าของกิจการ ห้างร้าน ทุกท่าน

ตามที่ บริษัท ซาบิน่า จำกัด (มหาชน) และ บริษัท ซาบิน่า ฟาร์อีสต์ จำกัด ได้ให้ความสำคัญกับการดำเนินธุรกิจภายใต้หลักการกำกับดูแลกิจการที่ดี มีจรรยาบรรณและความโปร่งใสเป็นธรรม ในการดำเนินธุรกิจ มีการปฏิบัติต่อผู้เกี่ยวข้องอย่างเหมาะสม ได้เป็นอย่างดีร่วมกัน รวมถึงได้รับการรับรองสถานะเป็นแนวร่วมปฏิบัติของภาคเอกชนไทยในการต่อต้านการทุจริต (Collective Action Coalition Against Corruption : CAC) โดยมีการประกาศนโยบายต่อต้านคอร์รัปชันสู่กลุ่มเป้าหมายและทางสังคม ดังนี้ 2558 นั้น


เพื่อให้ได้ความโปร่งใสเท่าเทียมและเป็นธรรมต่อผู้มีส่วนได้เสียทุกกลุ่ม และเชื่อมกับการที่ประเทศไทยได้มีกฎหมายและกฎระเบียบที่รัดกุม ได้มีสิทธิและผลประโยชน์ในโอกาส บริษัท ขอความร่วมมือจากท่านงดการให้และรับของขวัญทุกประเภทและทุกโอกาส แก่กรรมการ ผู้บริหาร และพนักงาน โดยมีรายละเอียดดังนี้

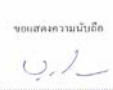
1. ไม่ให้และไม่รับทรัพย์สิน สิ่งของ ส่วนแบ่งหรือสินบนต่างๆ และผลประโยชน์อื่นใด
2. ไม่ให้และไม่รับกระเช้าทุกประเภท ทองคำ เงินสด เช็คของขวัญ บัตรของขวัญ ของขวัญ/ของกำนัล เพื่กดงข้อต่อแล้วคือเรื่องอื่น นวัตกรรมประเพณีอาหาร นวัตกรรม ฯลฯ

หากได้รับการร้องเรียนจาก กรรมการ ผู้บริหาร พนักงาน และผู้มีส่วนได้เสียทุกกลุ่ม บริษัทฯ จะดำเนินการสืบสวนข้อเท็จจริง หากพบว่าข้อมูลหรือหลักฐาน มีเหตุผลอันควรเชื่อได้ว่าผู้ใดถูกกล่าวหาได้กระทำการละเมิดนโยบายต่อต้านคอร์รัปชันจริง กรณีผู้มีส่วนได้เสียทุกกลุ่ม บริษัทฯ จะพิจารณาในการดำเนินธุรกิจร่วมกัน กรณีกรรมการ ผู้บริหาร และพนักงาน จะพิจารณาตามระเบียบของบริษัทฯ ต่อไป

ในโอกาสนี้ บริษัทฯ ขอเชิญชวนทุกท่านเข้าเป็นแนวร่วมปฏิบัติของภาคเอกชนไทยในการต่อต้านการทุจริต โครงการ CAC FOR SME ผ่านทางเว็บไซต์ของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (www.sba-iod.com) เพื่อร่วมกันเป็นส่วนหนึ่งในการสร้างมาตรฐานการประกอบธุรกิจอันมีคุณธรรม และพิชิตรวมสามหลักธรรมมาภิบาลที่ดี

บริษัทฯ ขอขอบพระคุณทุกท่านเป็นอย่างสูงและหวังเป็นอย่างยิ่งว่าจะได้รับความร่วมมือจากทุกท่าน

  
 (นายสมคิด หนองบัวศิริศักดิ์)  
 ประธานคณะกรรมการต่อต้านการทุจริตบริษัทฯ

  
 (นายบุญชัย บัวชุมอันพร)  
 กรรมการผู้จัดการ

บริษัท ซาบิน่า จำกัด (มหาชน)  
 177 หมู่ 8, 10 ถนนสาย 100/1, ตำบล 177 หมู่ 8, อำเภอเมือง, จังหวัดสุพรรณบุรี 32000  
 โทร : 034 501 100-101 ต่อ 100-101 โทรสาร 33000

Sabina Public Company Limited  
 OFFICE : 177 หมู่ 8, 10 ถนนสาย 100/1, ตำบล 177 หมู่ 8, อำเภอเมือง, จังหวัดสุพรรณบุรี 32000  
 FACTORY : 177 หมู่ 8, 10 ถนนสาย 100/1, ตำบล 177 หมู่ 8, อำเภอเมือง, จังหวัดสุพรรณบุรี 32000  
 FACTORY : 177 หมู่ 8, 10 ถนนสาย 100/1, ตำบล 177 หมู่ 8, อำเภอเมือง, จังหวัดสุพรรณบุรี 32000

## Dissemination of anti-corruption measures

To inform personnel of the Company and its subsidiaries, related persons, and stakeholders of the policy on anti-corruption measures are therefore disseminated through channels as follows:

### Internal department

- Announcement via the Company's electronic media
- Post announcements of the Company and its subsidiaries in a visible location
- Communicate via internal radio
- 5S Line group of the office
- Orientation for new employees
- Organize training to disseminate anti-corruption measures, ethics and business ethics as well as risk management annually to the personnel of the Company and its subsidiaries to acknowledge and understand about anti-corruption measures, corruption in various fields, business ethics and codes of conduct, including risk management, and emphasize on the need for everyone to comply with the measures

In 2020, the trainings were conducted as follows:

- Pinklao Office organized a training on August 17, 2020.
- Salesperson (PC) training on August 17, 2020
- Phutthamonthon Sai 5 Factory organized a training on August 17, 2020.
- Thaphra Factory organized a training on August 17, 2020.
- Chainat Factory organized a training on August 17, 2020.
- Yasothon Factory organized a training on August 17, 2020.
- Buriram Factory organized training on August 17, 2020.

สาขา	ปี 2561		ปี 2562		ปี 2563	
	จำนวนพนักงาน (คน)	%	จำนวนพนักงาน (คน)	%	จำนวนพนักงาน (คน)	%
สำนักงานปิ่นเกล้า	347	100%	350	100%	353	100%
พนักงานขาย(PC)	1,143	100%	1,155	100%	1,078	100%
โรงงานพุทธมณฑล สาย5	723	100%	776	100%	645	100%
โรงงานท่าพระ	364	100%	372	100%	309	100%
โรงงานชัยนาท	520	100%	531	100%	411	100%
โรงงานยโสธร	1,111	100%	1,112	100%	1,008	100%
โรงงานบุรีรัมย์	233	100%	307	100%	255	100%
รวม	4,441		4,603		4,059	

---

**Outside agency**

- Announcement via the Company's website
- Notifying letter to the merchant.
- Annual report of the company (56-1)

**Guidelines for monitoring and evaluating the performance of the preventive practice**

The Company has set guidelines for reviewing the internal control system, following up, and evaluating the implementation of the guidelines for preventing involvement with corruption by having the Internal Audit Office responsible for reviewing the internal control system and continuously provide recommendations for the annual audit, which is approved by the Audit Committee. If the investigation of any complaints contains reasonable evidence to believe there are transactions or actions that may have a significant effect on the Company's financial position and performance, the Internal Audit Office shall report significant audit results to the Audit Committee and report to the Board of Directors respectively for rectification within the period that the Audit Committee deems appropriate.

Attachment 6

Report of the Board of Directors

---

## Report of the Board Directors

Due to the COVID-19 epidemic, Thailand's economy in 2020 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 2020 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.

The company focuses on product quality control to meet the standards starting from selecting raw materials High quality in accordance with OEKO-TEX Standard 100, using the same standards. All trade under the company's own brand and manufacturing or OEM to give customers confidence in using the product because underwear products are products that have direct skin contact. In addition, the company also takes into account the needs of customers as the key to product design and improvement. To always meet the needs of customers with continuous product development until there are new innovations that are continuously presented to the market every year as can be seen, the company received Outstanding Innovative Company Awards from the SET Awards 2020 by the Stock Exchange of Thailand for the performance of "SABINA Seamless Fit Innovation Non Slip Tech Bra", Best CFO Award 2020 from the Association of Investment Analysts, received Ranked as one of the 200 public companies with Under \$ 1 billion, Best under A Billion 2020 in Asia (Asia's 200 Best Under A Billion 2020) by Forbes Magazine (Forbes), received the Consumer Choice Award at the Shopee Brand Conference 2020, Top Brand Award, Award for



Excellent Performance from Lazada, 100K FOLLOWERS Award as a brand, more than 1 hundred thousand followers from Lazada, FASHION Category Captain Award. At Lazmall Awards from Lazada.

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.

Sabina Public Company Limited, Yasothon Branch, received the Outstanding Labor Establishment Award. Labor Protection Relations and Welfare Outstanding 15 years or more Year 15 on September 21, 2020, Sabina Public Company Limited, Buriram Branch Awarded for Green Industry Level 1 (Green Industry) from the Ministry of Industry on October 28, 2020, Sabina Public Company Limited, Buriram Branch. Received the Green Industry Award Level 2 (Green Industry) from the Ministry of Industry on July 29, 2020, Sabina Fareast Co., Ltd. Thaphra Factory received the Outstanding Establishment Award for Labor Relations and Labor Welfare Outstanding (10 years or more) 13th year from the Department of Welfare and Labor Protection on February 20, 2020, Sabina Fareast Co., Ltd., Thaphra Plant received a certificate. Basic TLS8001-2010 from SGS, September 21, 2020, Sabina Fareast Co., Ltd., Phutthamonthon Sai 5 plant received the Outstanding Establishment Award. Outstanding Labor Relations and Labor Welfare (10 years or more) 11st year from the Department of Labor Protection and Welfare on September 28, 2020.

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 third 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.

As mentioned above, since in the year 2020, the epidemic of COVID-19 has occurred. Causing the economic slowdown and affecting most businesses and industries until there must be a measure the controls were tightened in the high-risk provinces, respectively. The management of the company can adjust. Strategic plan in the management of the company, whether it is the income. Production cost Selling and Administrative Expenses to maintain the good operating results of the company and in 2020, the company has revenues from sales and the service was 2,898.01 million baht, a decrease of 381.74 million baht from the year 2019, representing a percentage decrease. When the company considers operating results and the Board of Directors considers to pay an annual dividend of 11.64% April 2020 at the rate of 80 baht per share, or 100% of the net profit, with a dividend payment scheduled on May 21<sup>st</sup>, 2021.

The performance of the company for the past year 2020, the management team is considered not as expected, but on the dedication and determination of the management and all employees of the company. With the goal of building a strong foundation for fighting the COVID-19 crisis. Go together for sustainable business growth forever.



Mr. Viroj Thanalongkorn

Chairman of the Board Directors.

Attachment 7

Report of Audit Committee

---

## **Report of Audit Committee for the year 2020**

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 2021. There were four Audit Committee Meetings in 2020 (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 2020 can be summarized as below:

1. Reviewing of quarterly financial statement and annual financial statements for the year 2020

Audit Committee reviewed quarterly financial statements and annual financial statements for the year 2020 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.

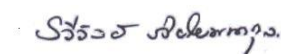
5. Reviewing of risk Assessment and management system

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 2021

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 2021 appointed Mrs. Nattsaruk Sarojnanchin, Mr. Chaiyuth Angsuwittaya, Ms. Daranee Somkumnerd, Ms. Jarunee Nuammea, Mr. Siramet Aukkarachotikulnun and Ms. Yaowaluk Somprasert Certified Public Accountant No. 4563, 3885, 5007, 5596, 11821 and 11902 respectively, of AMT Associate Office to be a company's auditor for the year 2021.

On behalf of Audit Committee



(Miss Raweewan Pinyopanakul)

Chairman of Audit Committee

Attachment 8

Report of the Nomination and Remuneration Committee

---

## 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.

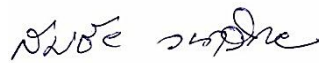
                         The fourth: person, Mr. Bunchai Punturaumporn, Director of the Company, the Nomination and Remuneration Committee.

                         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 9

Report of Risk Management Committee

---

## 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.

In the past year, the company has 3 Risk Management Committee members and in 2020 the Company has appointed another Risk Management Committee from 1, total 4 people as follows:

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 2020, 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. 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

---

Other

- none