

FULFILLING BETTER WAYS OF LIFE  
WITH SUSTAINABLE GROWTH



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# Annual Report 2022

(Form 56-1 One Report)

SCG Packaging Public Company Limited



### **SCG Packaging Public Company Limited**

#### **Company Profile**

<b>Registration No.</b>	0107537000921
<b>Head Office Address</b>	1 Siam Cement Road, Bangsue Bangkok 10800
<b>Business Type</b>	The Company generates revenue from holding shares in other companies (Holding Company) operating core business as an integrated packaging solutions provider (The key subsidiary engaging in the core business is Siam Kraft Industry Co., Ltd.), which is organized into three main businesses: Integrated Packaging Business, Fibrous Business, and Recycling Business and Others.
<b>Present Registered Capital</b>	Registered capital: 4,500,000,000 Baht Paid-up capital: 4,292,920,200 Baht Issued and paid-up ordinary shares: 4,292,920,200 shares Issued and paid-up preference shares: - None - Par value of 1 Baht per share
<b>Website</b>	<a href="http://www.SCGPackaging.com">www.SCGPackaging.com</a>
<b>Contact</b>	Tel: +66 2586 3333 Fax: +66 2586 3007 E-mail: <a href="mailto:SCGPackaging@scg.com">SCGPackaging@scg.com</a>
<b>Share Registrar</b>	Thailand Securities Depository Company Limited 1 <sup>st</sup> Floor, The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel: +66 2009 9999 Fax: +66 2009 9991 Website: <a href="http://www.set.or.th">http://www.set.or.th</a>



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### Other Related Information\*

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- 1.** Corporate Governance Policy and Guidelines and Code of Conduct (Full Version)
- 2.** Environment and Climate Policy
- 3.** Sustainability Report 2022



\*Other related information has been disclosed at (<https://investor.scgpackaging.com/en/downloads/yearly-reports>)

If the Form 56-1 One Report refers to any referenced information posted on the Company's website, said referenced information is therefore a part of this Form 56-1 One Report. The Board of Directors is responsible for the correctness and completeness of the referenced information, as well as the information disclosed in this Form 56-1 One Report.

# Financial Overview

SCG Packaging Public Company Limited and its Subsidiaries

Unit : Baht Million

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Consolidated income statement<sup>1</sup></b>					
Revenue	<b>147,532</b>	126,755	93,389	90,034	87,770
Costs and expenses	<b>139,298</b>	115,100	85,148	83,147	79,661
EBITDA <sup>2</sup>	<b>19,402</b>	21,150	16,876	15,147	14,566
Profit for the year <sup>3</sup>	<b>5,801</b>	8,294	6,457	5,269	6,066
<b>Consolidated statement of financial position</b>					
Assets	<b>197,280</b>	206,824	172,429	139,513	93,246
Liabilities	<b>74,313</b>	84,524	62,588	76,697	39,986
Total equity attributable to owners of the Company	<b>97,201</b>	96,837	88,738	42,952	40,441
Total shareholders' equity	<b>122,967</b>	122,300	109,841	62,816	53,260
<b>Share information</b>					
Total number of shares issued <sup>4</sup> (Million Shares)	<b>4,293</b>	4,293	4,293	3,126	3,126
Book value per share <sup>4</sup> (Baht)	<b>22.64</b>	22.56	20.67	13.74	12.94
Basic earnings per share <sup>4</sup> (Baht)	<b>1.35</b>	1.93	1.95	1.69	1.94
Dividends per share <sup>4, 5</sup> (Baht)	<b>0.60</b>	0.65	0.45	0.98	0.50
<b>Financial Ratio</b>					
Dividends payout ratio (%)	<b>44.4</b>	33.6	29.9	57.9	25.8
Net profit margin <sup>6</sup> (%)	<b>4.0</b>	6.7	7.0	5.9	7.0
Return on assets (%)	<b>3.3</b>	5.1	4.7	5.1	7.4
Return on equity attributable to owners of the Company (%)	<b>6.0</b>	8.9	9.8	12.6	14.6

**Remarks :**

<sup>1</sup>The figures for year 2019 are reclassified according to the notification of the Department of Business Development.

<sup>2</sup>Profit before finance costs, income tax expense, depreciation and amortization and excludes dividends from associates

<sup>3</sup>Represents profit for the year attributable to owners of the Company

<sup>4</sup>For the year 2019 changed in par value of ordinary shares (from 10 Baht per share to 1 Baht per share) and issue stock dividend of ordinary share

The number of ordinary shares used in the financial ratio calculation during year 2018 are adjusted as if such change had occurred at the beginning of the earliest reporting period.

<sup>5</sup>For the year 2019, dividends per share 0.98 Baht is calculated from 1) Interim dividend 1.1111111 Baht per share from ordinary 1,563 in million shares

2) Annual dividend 0.42 Baht per share from ordinary 3,126 in million shares

<sup>6</sup>Net profit margin = Profit for the year attributable to owners of the Company divided by Revenue from sales

# Financial Overview

SCG Packaging Public Company Limited and its Subsidiaries

Unit : Baht Million

## Revenue from Sales

CAGR  
2018 - 2022:

**14%**

87,255 89,070 92,786 124,223 146,068

2018 2019 2020 2021 2022

Revenue from sales by end destinations  
outside Thailand (%)



## Total Assets

CAGR  
2018 - 2022:

**21%**

93,246 139,513 172,429 206,824 197,280

2018 2019 2020 2021 2022

Debt to equity ratio (Times)



## EBITDA\*

CAGR  
2018 - 2022:

**7%**

14,566 15,147 16,876 21,150 19,402

2018 2019 2020 2021 2022

EBITDA margin (%)



## Profit for the year\*\*

CAGR  
2018 - 2022:

**-1%**

6,066 5,269 6,457 8,294 5,801

2018 2019 2020 2021 2022

Net profit margin (%)



\*Profit before finance costs, income tax expense, depreciation and amortization and excludes dividends from associates

\*\*Attributable to owners of the Company

## Financial overview 2022

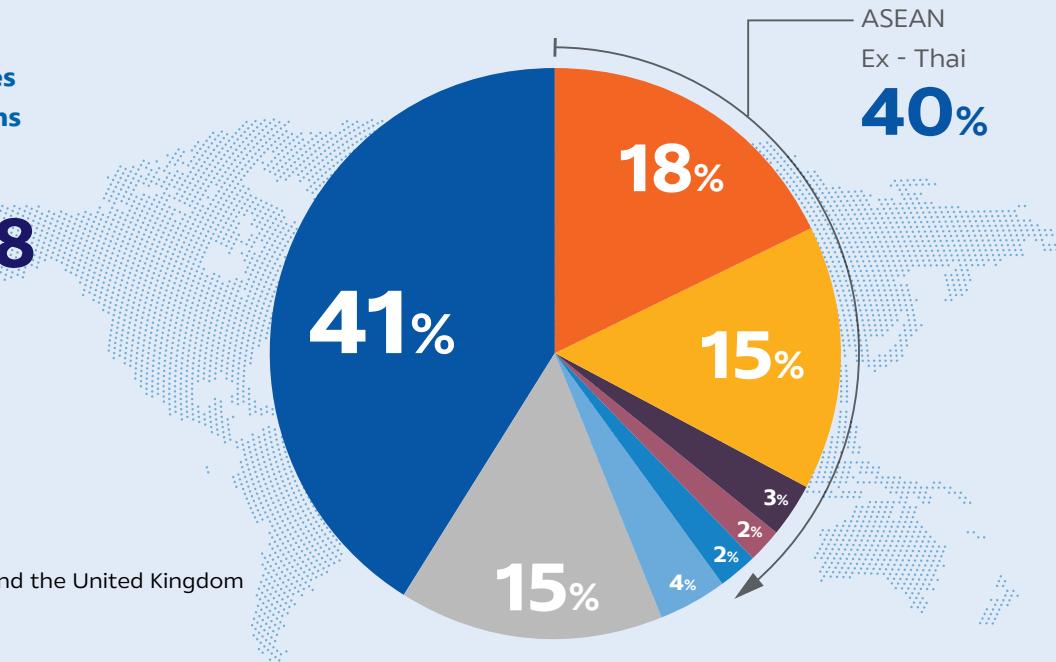
SCG Packaging Public Company Limited and its Subsidiaries

### Revenue from sales by end destinations

Baht Million

**146,068**

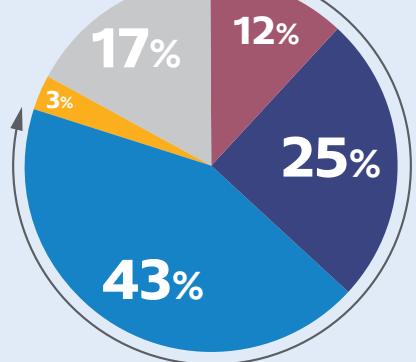
- Thailand
- Indonesia
- Vietnam
- The Philippines
- Malaysia
- Others in ASEAN
- European Union and the United Kingdom
- Rest of the world



### Revenue from sales by business units

Integrated  
Packaging Business

**80%**

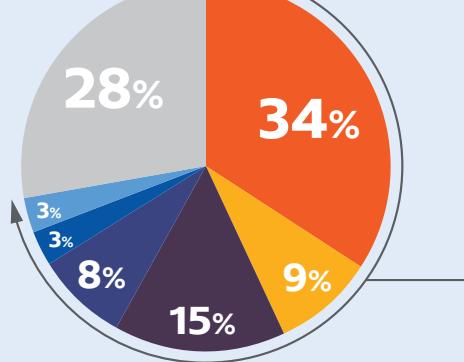


- Consumer and Performance Packaging
- Fiber Packaging
- Packaging Paper
- Recycling Business
- Fibrous Business

### Revenue from sales by consumer segments

Consumer link

**72%**



- Food
- Beverage
- FMCG
- E&E
- A4 Paper
- Other consumers-related
- Industrial packaging

### Revenue from sales

**146,068**  
(Baht Million)

### Total assets

**197,280**  
(Baht Million)

### EBITDA

**19,402**  
(Baht Million)

### Profit for the year

Attributable to owners of the Company

**5,801**  
(Baht Million)

# Sustainability Performance Highlight 2022

## Green procurement purchased

Baht million

**4,883****8.29%**

16 products

## Suppliers passed the Environmental, Social and Governance (ESG) risk assessment

**100%**

of suppliers with procurement spending over Baht 1 million



## Environment-related investment and expenses (Thailand)

Baht million **1,315**

## Research & Development and innovation investment and expense

Baht million

**522**

## "SCG Green Choice" products, services and solutions

61 products



## Waste from production process in Thailand to landfill

**0 ton**

## Reduction of waste disposal by incineration without energy recovery in Thailand

**99.95%**

compared with the base year of 2014

## Green House Gas emission reduction

**0.63** million tons carbon dioxide equivalent**12.7%**

compared with the base year of 2020 in all SCGP business units

## Energy saved

**4.4** petajoules**6.8%**

compared with BAU at the base year of 2007

## Proportion of renewable energy

**24.3%**

## Water withdrawal reduction

**28.3** million cubic meter**28.0%**

compared with BAU at the base year of 2014

## Proportion of recycled water

**16.3%**

## Work-related injury and illness rate of employees and suppliers (in Thailand)

**0.267 / 0.599**

cases per 1,000,000 hours-worked

## Total number of work-related fatalities (employee/contractor)

**0** case

## Occupational illness & disease frequency rate (employee)

**0** case per 1,000,000 hours-worked

## Human rights violations

**0** case

## Employee complete training and pass Ethics e-Testing

**100%**

## Check dam

**501** projects

## NCS Plantation

**999,263** trees

## Support community products

**Baht 11,796,186**

## Scholarship program

**1,339** scholarships in 67 schools

## Career development center in communities

**44** centers

## Zero waste community development

**31** communities

## Corporate volunteers

**237** employees



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BETTER WAYS  
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# Message from the Board of Directors

SCG Packaging Public Company Limited and its Subsidiaries

“Growth with Quality  
through Integrated Packaging Solutions”



In 2022, the ASEAN economy was heading toward a continued recovery with increased regional consumption and released COVID-19 situation. Nonetheless, COVID-19 restrictions in China and the drought in the southern part of the country in the second half of last year have led to supply chain instability which affected the manufacturing and trading sectors in the region while global economy was affected by highly fluctuated energy price. This was a major cause of hyperinflations and the surge of interest rates in many countries, adding pressure on overall economic recovery which need to be closely monitored.

With these challenges, SCGP continued to pursue quality growth and strengthen its position as a leading integrated packaging solutions provider with strategic expansions via merger and partnership (M&P), organic expansion while further enlarge the customer network to new markets with high growth opportunity. The Company prudently operates amidst economic volatility, while fulfilling growing needs of customers and consumers.

In 2022, SCGP expanded and reinforced its business with M&P of Peute Recycling B.V. (Peute), the largest packaging material recycling company in the Netherlands, and Jordan

Trading Inc. (Jordan), a renowned trader of recovered paper (RCP) based in the USA. These investments epitomized an important progress of SCGP's integrated business model. The entrance into the fast-growing packaging material recycling business would resolutely enhance the Company's raw material sourcing capability which is one of the essential factors that supports long term growth of packaging business. In addition, SCGP has continued to organically expand its Fiber Packaging, Packaging Paper, Consumer and Performance Packaging businesses. The investments included production capacity expansion of Thai Containers Group's high-quality Fiber Packaging & sheet board, and also Flexible Packaging operation under Prepack to improve the Company's capability to offer high-quality packaging solutions.

Furthermore, SCGP has been relentlessly developing integrated packaging solutions to meet customers' and consumers' needs in alignment with current and future megatrends. Strategic efforts have been executed to expand the portfolio to rapidly growing markets with high potential. The addition of new product categories & sale channels of Foodservice Packaging would provide broad accessibility

to consumers and Foodservice entrepreneurs in order to purchase high quality food and beverage packaging with ease. The Company also reinforced its Medical Supplies & Labware business through the partnership with three of Thailand's leading medical suppliers which can import Deltalab's products and expand its market in Thailand & other potential regions to meet the growing healthcare trends.

In term of operational excellence, SCGP focused on improving its operation with the pursuit of synergy and cross selling such as Foodservice Packaging which is offered to both Duy Tan and Go-Pak customers, customer network expansion of Batico's Consumer and Performance Packaging into SOVI's customer group. Digital technology and automated systems were adopted in Fiber Packaging production process at the flagship automated plant in Thai Containers Group's Ratchaburi Plant, the first in Thailand. Supply chain and inventory management system were utilized and optimized as mitigation for external and internal risks. All operational processes were supported by our knowledgeable and skilled personnel with expertise in the related fields. The organizational culture has been laid down to embolden and support employees to learn, develop, nurture creative ideas, while working together to deliver values to customers and consumers.

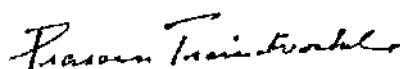
Along with strategic implementation, SCGP operates in accordance with the ESG (Environmental, Social and Governance) principles. The Company is committed on improving the environment with a clear target on greenhouse gas emission reduction to Net Zero by 2050, while taking care of societies through the promotion of local occupations and quality of life, as well as stakeholder engagement which are aligned with SCGP's Corporate Governance and Sustainable Development Policy. In 2022, SCGP was certified by the Thai Private Sector Collective Action against Corruption (CAC) while received 2 SET Awards, in the categories of Business Excellence (Best Innovative Company Awards) and Sustainability Excellence (Best Sustainability Awards). SCGP was also successful in maintaining its status as one of the leading sustainable companies in Thailand, or Thailand Sustainability Investment (THSI) and SET THSI Index, for the 2<sup>nd</sup> consecutive year. Moreover, SCGP passed the assessment and rated as the ASEAN Asset Class.

With the commitment and determination, SCGP achieved impressive growth in 2022 amidst challenging macro-economic volatilities and recorded total revenue from sales of Baht 146,068 million, an increase of 18% year-on-year. Profit for the year was Baht 5,801 million, a decrease of 30% compared to the previous year. The Board of Directors has resolved to propose that the 2023 Annual General Meeting of Shareholders approve the 2022 dividend worth Baht 0.60 per share, Baht 2,576 million in total, or 44% of profit for the year of the consolidated financial statements in accordance with the dividend policy. In this, an interim dividend is worth Baht 0.25 per share, and as a final dividend of Baht 0.35 per share.

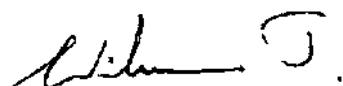
In 2023, SCGP plans to carry on the quality and sustainable business growth through merger and partnership, value accretive synergy with business partners, and the expansion of portfolio into new growth segments in ASEAN and other regions, especially in lifestyle & consumer packaging, food & beverage, and medical & health related products, which are essential to consumer's daily life. SCGP aims to continue its business conducts with customer centricity mindset while also cooperate with our clients to develop value-added innovative packaging solutions that satisfied the consumer's lifestyle. The Company also plans to continuously improve its competitive advantage, production efficiency, and reduce production costs. Part of the efforts would be through the development of human resources, in both capability and technical skills, which are in line with the business growth, emerging risks, and the mitigation plans along with ESG requirements for sustainable world.

The Board of Directors would like to express our gratitude to shareholders, debenture holders, business partners, suppliers, customers, domestic and international financial institutions, and other relevant parties for all the warm support, as well as to all employees who remarkably dedicate themselves and drive the Company forward to its goals and achievements while earning the investors' trusts. Furthermore, SCGP would like to assure that the Company will continuously improve its organization for future growth with quality and offer packaging solutions that fulfill the evolving needs and lifestyles of consumers while commit to a better society and a sustainable world.

Bangkok, January 24, 2023



(Mr. Prasarn Trairatvorakul)  
Chairman



(Mr. Wichan Jitpukdee)  
Chief Executive Officer

# Audit Committee's Report

SCG Packaging Public Company Limited and its Subsidiaries

The Board of Directors has appointed the Audit Committee on June 21, 2019 to independently perform its duties in accordance with the scope of duties as prescribed in the Charter of the Audit Committee, which is annually reviewed in accordance with the current situation and approved by the Board of Directors. In 2022, the Audit Committee oversaw and inspected operations in all dimensions as per all the scope of duties as prescribed in the Charter of the Audit Committee. To conclude, the operation achieved an adequate level of efficiency and effectiveness. Moreover, the Audit Committee emphasized the application of digital technology in the auditing, supervision, strategy formulation, performance and monitoring of results.

In 2022, the Audit Committee convened a total of six meetings and accounted for a 100% attendance rate of all members. In order to comply with the principles of good governance, the annual year-end performance assessment of the Audit Committee as a whole and self-assessment were completed. The results were satisfactory. The assessment areas included the structure and qualifications of the committee, the roles and responsibilities, the performance of duties and meetings, general opinions, the performance of the Audit Committee's secretary, and the performance of the Internal Audit Office. The Audit Committee reviewed and approved the audit plan, budget and manpower of the Audit Office to ensure appropriateness and adequacy related to the duties and responsibilities of the Audit Office. The Committee's key activities in 2022 could be summarized as follows:

## **1. Review of Financial Statements:**

The Audit Committee reviewed material information in the quarterly and 2022 annual financial statements of SCG Packaging Public Company Limited (or SCGP), as well as the consolidated financial statements of SCGP and its subsidiaries, which were prepared in accordance with the Thai Financial Reporting Standards (TFRS) and in conformance to the International Financial Reporting Standards (IFRS). The Committee reviewed material issues and special items. This included asking the Chief Financial Officer and the Accounting Director regarding the use of judgment in preparing the financial statements, and obtaining sufficient clarification from the external auditors, the Executives, and the Internal Audit Director to confirm that the financial statements and the disclosure of the notes to the financial statements were in compliance with the relevant laws and financial reporting standards. The

Audit Committee, then, endorsed the financial statements, reviewed and audited by the external auditors without reservation. In addition, the Committee held a meeting with the external auditors without the Management to freely discuss the acquisition and the review of material information involved in the preparation of the financial statements, the disclosure of information in accordance with relevant financial reporting standards for the benefits of the user of the financial statements, key audit matters, and any suspicious information indicating potential fraud according to Section 89/25 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551. In 2022, the external auditors made no remarks and indicated no suspicious circumstances.

## **2. Review of Connected Transactions or Potential Conflicts of Interest:**

The Audit Committee outlined the scope of connected transactions, and reviewed the connected transactions and other transactions that could lead to a conflict of interest. The results suggested that SCGP's transactions are in line with the policies of connected transactions and the outlined scope, of which had been timely disclosed to the Stock Exchange of Thailand.

## **3. Review of Good Corporate Governance:**

SCGP aimed to operate its businesses in adherence to Sustainable Development and Corporate Governance principles, with reference to international standards including the Organization for Economic Co-operation and Development (OECD), Thailand's Securities and Exchange Commission (SEC), The Stock Exchange of Thailand (SET), and the Thai Institute of Directors Association (IOD). The Audit Committee considered policies and practices on corporate governance, and reviewed the efficiency and effectiveness of good corporate governance. It was found that the Company's directors, management and employees strictly complied with the established policies, by having the Board of Directors of the Company and the management as good role models. Listed below are SCGP's Code of Conduct and anti-corruption activities in 2022:

- Reviewed practices in line with SCGP's Code of Conduct, passed on communication materials to staff and translated them into Indonesian, in addition to the Thai and English versions.

- With marks of 100%, all employees who took the test passed the Ethics e-Testing implemented for the 8<sup>th</sup> consecutive year.
- Introduced the concept to suppliers by adopting SCGP's Supplier Code of Conduct as a business guideline, with a goal to encourage suppliers to be good citizens in parallel with the integrating of social and environmental commitments into corporate governance beyond legal and regulatory requirements.
- Reviewed the anti-corruption policy to be in line with current operations.
- The Company was granted on March 31, 2022 as a Certified Company by the Thai Private Sector Collective Action Against Corruption (CAC).

#### **4. Review of the Risk Management Assessment System:**

The Audit Committee reviewed the efficiency and effectiveness of the risk management process, assigning the SCGP Risk Management Committee to roll out the structures and act as the core working team, consider and approve strategies, risk management frameworks and the risk management process, and perform the risk profile review and company-wide risk management follow-up. The Planning and Risk Management Office is responsible for reporting risks and risk management in the form of the Risk Dashboard. The Risk Management Committee has formulated risk management measures by developing medium-term plans and annual plans as well as taking investment projects. They all aim at enabling the Company to brace itself for an unforeseen challenge for years to come.

The Company also focuses on emerging risks, which are regarded as significant and potential future risks. Examples include climate changes posed by greenhouse gas emissions, environmental and pollution risks, a shift towards a Circular Economy, security risks of information technology systems and conformity with the Personal Data Protection Act. The Company has put in place the SCGP Privacy Policy as the framework for personal data management and prepared various systems to adhere to the laws. The Risk Management Committee acts as the Personal Data Protection Committee.

#### **5. Compliance Review:**

The Audit Committee has continuously reviewed the implementation of the Company's Compliance Policy & Guideline. The Compliance Management System (CMS), which complies with ISO 19600 standards, is enforced and applied to business groups. It is integrated into management systems. Guidelines and checklists serve as the frameworks to domestically and internationally follow central key policies. The licensing management system

has been developed and the receiving/sending of the new/changed laws has been improved to deal with the governance tools in other aspects.

#### **6. Assessment and Review of the Internal Control System:**

The Audit Committee assessed and reviewed the internal control system for both operational and information technology systems reported by the Internal Audit Office as a part of the duties under the Charter of the Internal Audit Office, and the results of the internal control adequacy assessment of the Securities and Exchange Commission (SEC). The Committee concluded that SCGP's internal control was sufficient and appropriate for its business operations. This corresponded with the external auditor's opinion that there was no material deficiency that might impact the Company's financial statements. The management's emphasis has been placed on building a good internal control system in each work system and information technology system applied in the Company to support changes and business growth through policies, performance standards, and practices. The Management emphasizes raising awareness to continuously promote morality, ethics, code of conduct, and anti-corruption to the employees by focusing on the development of a proactive and preventive system, consisting of the review of SCGP's Code of Conduct, which is translated into Indonesian, staff communications, ethics e-Testing and e-Policy e-Testing, communication of the responsibility guideline regarding risk management and good control practices under the "Three Lines Model", as well as communicating case studies related to fraud and non-compliance with laws, the Company's regulations, policies, code of conduct, and detected key issues. Workshops were also offered to different business units to raise a better understanding of the risks, impacts, and critical internal controls of each operating procedure among the persons in charge at all levels. This enables procedures to be appropriately applied to each domestic and overseas business unit and fit respective laws and regulations.

In addition, the control self-assessment tools have been appropriately adopted in accordance with the level of business readiness, both domestic and overseas. To further mitigate risks for overseas companies, the Company fostered awareness on governance, risks, and compliance with relevant laws, regulations, and rules. Furthermore, the Internal Audit Office, in collaboration with business units (First Line), utilized more data analytics to its report preparation in order for the businesses to supervise works under their responsibilities and for auditors to use in the auditing process.

## 7. Internal Audit:

The Audit Committee conducted an annual review of the Charter of the Audit Committee and the Charter of the Internal Audit Office. In 2022, the Internal Audit Office scrutinized both operational and information technology systems for 65 projects in total. The findings concluded that there were no material issue concerns. The Internal Audit Office promoted the use of digital tools such as Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), Data lake, etc., to analyze risks with more efficiency, reducing time taken and required fieldwork. included online seminars, data analytics workshops for auditors through Learnathon activities, and Hackathon activities for the 4<sup>th</sup> consecutive year for auditors to improve their skills and knowledge. Projects were proposed under digital technology to analyze data or apply for self-inspection. Awareness was raised for governance, risk management, operational supervision, internal controls regarding cyber security and personal data protection. Audit guidelines have been established for internal controls/security to support the changing operational processes as a result of the application of technology. Workshops involved operation and information technology to disseminate knowledge about international standards, risks, internal controls and inspection results. The Company continually conducted research and promoted the Three Lines Model for the pre-existing and new operational systems, new businesses or the Company's new information technology systems. Auditors have been developed to assess the efficiency and effectiveness of governance, risk management, compliance with laws, regulations, and internal controls of domestic and international subsidiaries.

## 8. Review of Complaints and Whistleblowing Investigations:

SCGP has established a system for complaints filing and clues reporting for employees and external parties, through which they can file both Thai, English, Indonesian and Vietnamese complaints around the clock. External parties can make complaints through [www.SCGPackaging.com](http://www.SCGPackaging.com). In addition, the existing channels for making a report encompass phone calls, e-mail and physical letters to the Independent Committee, the Audit Committee, the Internal Audit Office, and the Corporate Secretary Office. In 2022, a total of 6 cases involving non-compliance with laws, the Company's regulations, the Anti-corruption Policy, Corporate Governance Policy, SCGP's Four Core Values, SCGP's Code of Conduct or SCGP's Supplier Code of Conduct were filed through SCGP Whistleblowing System for external parties and employees. Of these, 5 cases were completed investigations (including 1 pending case from 2021), divided into 4 cases that did not comply

with complaints or unclear evidence, and 1 case that involved inappropriate management. None were related to non-compliance with Code of Conduct, the Anti-corruption Policy, Antitrust Policy, Human Rights Policy, and internal data use. The damages were non-material. Findings from the investigations were taken into consideration for the determination of future procedures and preventive guidelines. In addition, the Audit Committee has continually reviewed the policy for receiving fraud and misconduct complaints, fraud inspections, risk assessments, review conclusions, penalties and the determination of preventive measures for potential fraud across systems as per appropriateness with the continual business environment.

## 9. Appointment of the External Auditors and Review of the Audit Fees for 2023:

KPMG Phoomchai Audit Ltd. is selected and appointed as the external auditor of the Company and its subsidiaries. An external auditor screening is compulsory every 5 years. The screening must be annually reviewed and proposed to the shareholders' meeting to ensure independence, potential, performance, service offers, auditing methods and conformity with the guidelines of key audit partner rotations as stated in the notification of the Securities and Exchange Commission (SEC). Based on the past year's qualifications as independent auditors, professional knowledge and expertise, including experience in auditing and the ability to share knowledge related to SCGP's businesses in addition to auditing, the Audit Committee recommended the Board of Directors to consider and seek approval at the Shareholders' Meeting for the appointment of Ms. Sureerat Thongarunsang, Certified Public Accountant Registration No. 4409; or Ms. Pornthip Rimdusit, Certified Public Accountant Registration No. 5565; or Mr. Songchai Wongpiriyaporn, Certified Public Accountant Registration No. 10996 of KPMG Phoomchai Audit Ltd. as the Company's auditors for the year 2023. Furthermore, this meeting includes the approval of the budget for the 2023 financial statement auditing and the quarterly financial review of separate and consolidated financial statements worth Baht 2,675,000 and acknowledgement of our subsidiaries' auditing fees, which is the responsibility of KPMG branches in Thailand and other countries in 2023. Subsidiaries shall be subject to the auditing fees of Baht 25.28 million.

On behalf of the Audit Committee

(Mrs. Kaisri Nuengsigkapian)  
Chairman of the Audit Committee

# Corporate Governance and Nomination Committee's Report

SCG Packaging Public Company Limited and its Subsidiaries

The Board of Directors appointed and assigned the Corporate Governance and Nomination Committee to assist the Board by carrying out duties of responsibilities as shown in the Charter of the Corporate Governance and Nomination Committee. In 2022, the Corporate Governance and Nomination Committee convened a total of six meetings with an attendance record of 100%. All significant operations in 2022 can be summarized as follows:

## **1. Recommendations of policies and guidelines with regard to the Corporate Governance of SCG Packaging Public Company Limited (SCGP)**

In 2022, the Board of Directors approved the Corporate Governance and Nomination Committee's proposal to review and revise SCGP's corporate governance policies and guidelines to ensure that SCGP's good corporate governance practices support the Company's strategies and business growth in the face of challenges involving changes in the economy, international politics and environment, promotes fairness and transparency in business operations and management, generates returns and higher long-term value for shareholders, intensifies trust and acceptance across all the key stakeholder groups, and supports SCGP's competitiveness for sustainable growth. The corporate governance policies and guidelines revised in 2022 are as follows:

- SCG Packaging's Code of Conduct
- SCG Packaging's Corporate Governance Structure
- Charter of the Audit Committee
- Charter of the Corporate Governance and Nomination Committee
- Charter of the Remuneration Committee
- Performance Assessment Forms for the Board of Directors and the Sub-committees
- Human Rights Policy
- Diversity and Inclusion Policy
- Risk Management Policy
- Anti-corruption Policy
- Whistleblowing Policy
- Insider Information Management and IT Governance Policy

## **2. Nomination of qualified candidates to replace the directors due to resignation in 2022 and retirement by rotation in 2023**

The Committee performed its role in recruiting and nominating qualified candidates in place of the members resigning in 2022 for the Board of Directors to consider voting. Also, the Committee proposed the list of qualified candidates in place of those who are retiring by rotation in 2023 to the Board of Directors for consideration prior to further proposing them for election in the 2023 Annual General Meeting of Shareholders. The recruitment and nomination were done by considering the Committee's structural diversity; namely gender, ages, educational backgrounds, positions in other listed companies, the Board Skills Matrix, knowledge, expertise, experience and specific capabilities in line with the strategies and the operational guideline of SCGP, which had been reviewed to present wider viewpoints and visions for the benefit of effective Board of Directors operations.

Moreover, to promote the participation of shareholders in the director nomination process, the Board of Directors, as proposed by the Corporate Governance and Nomination Committee, resolved to grant the minority shareholders the right to nominate candidates for the directors ahead of the 2023 Annual General Meeting of Shareholders, during the period of August 1 - November 30, 2022. The criteria, procedures, qualifications and prohibited characteristics of the nominated candidates were disclosed to shareholders via the Stock Exchange of Thailand's SETLink system and the Company's website in order for the Corporate Governance and Nomination Committee to consider for the recruitment and selection of candidates to be proposed to the Board of Directors and shareholders for approval.

## **3. Proposal of the structure and remuneration of the Board of Directors and sub-committees**

The Committee proposed the structure and remuneration of the Board of Directors and sub-committees to be appropriate in accordance with their scope of duties and responsibilities, as well as the Company's performance, inclusive of information benchmarked with

remuneration rate of leading companies in the Stock Exchange of Thailand (SET) and in the manufacturing and service industry. The 2022 Annual General Meeting of Shareholders resolved to approve the remuneration of directors and sub-committees for the year, as proposed by the Board of Directors and the Corporate Governance and Nomination Committee.

#### **4. Enhancement of knowledge and ability of board members for more efficient operations**

Orientation was provided to one committee member elected in place of those who resigned in 2022 to enhance knowledge and understanding about the duties of the directors, applicable laws and rules, and information necessary to performing the duties, such as the nature of SCGP's business operations, objectives, main goals, visions, missions, corporate values, business operation guidelines, the Corporate Governance Policy and human resources management, etc.

The members of the Board of Directors paid a visit to the subsidiaries in Thailand and Vietnam to experience the management and business progress, economic and social conditions, and market trends relating to domestic sales and exports. Furthermore, the Board of Directors communicated the guidelines of good corporate governance, sustainable development and the organizational culture of SCGP for executives and employees of those subsidiaries.

Productive seminars were held to exchange knowledge, perspectives, and experiences between the Board of Directors and external organizations. Participants shared specific knowledge and experience involving critical changing trends and the futures of the global packaging market, perspectives on geopolitics, international relations, economic growth trends in China, the economy and the politics of Vietnam. Executive summaries of recommended practices related to the

board performances of duties were offered to all directors of SCGP, such as the prevention of insider information use, the prevention of conflicts of interest, and recommendations of interesting business articles, such as the generation gap in businesses. This extended the directors' knowledge in the areas of business, the business-related environment and good corporate governance.

Furthermore, significant publications of 2022's good corporate governance practices and suggestions for listed companies, distributed by the Securities and Exchange Commission (SEC), the SET and the Thai Institute of Directors Association (IOD), were gathered and summarized for the Committee members to follow up on all changes regarding continuous good corporate governance.

Due to continuous compliance with the SCGP's corporate governance policies and practices, SCGP received a full score of 100 for the 2022 Annual General Meeting of Shareholders Quality Assessment held by Thai Investors Association, and rated "excellent" by the Corporate Governance Report of Thai Listed Companies 2022 conducted by Thai IOD. In addition, the Stock Exchange of Thailand listed SCGP on its 2022 Thailand Sustainability Investment list continuously from the year 2021.

**On behalf of the Corporate Governance  
and Nomination Committee**



(Professor Kitipong Urapeepatanapong)  
Chairman of the Corporate Governance  
and Nomination Committee

# Remuneration Committee's Report

SCG Packaging Public Company Limited and its Subsidiaries

The Remuneration Committee performed duties in accordance with the Charter determined by the Board of Directors. In 2022, the Remuneration Committee convened 5 meetings and 1 special meeting, totaling 6 meetings, with 100% attendance rate of committee members attended. The minutes of meeting were reported to the Board of Directors. Below is the summary of the essence of the duties:

## 1. Consider the compensation

of the Chief Executive Officer and the senior executives of SCGP to maintain fairness related to their performance and in line with the overall performance of SCGP. Conduct a comparison with listed companies and leading companies in the same industry, inclusive of the maintaining of leading remuneration rate in the industry and the creation of incentives for top executives to continue to perform their duties to the progress of the Company.

## 2. Consider the succession plan

of the executives to continuously plan human resources and manage the operation to achieve the goal and the mission of the organization in the short and long terms, to maintain, transfer, and extend knowledge in the organization.

In addition, the Committee also provided directions and guidance to the Management on the employee care policy, performance appraisals, and determination of the appropriate remuneration to uphold employee morale and retain talented personnel.

On behalf of the Remuneration Committee



(Mr. Vanus Taepaisitphongse)  
Chairman of the Remuneration Committee

# The ESG Committee's Report

SCG Packaging Public Company Limited and its Subsidiaries

The ESG Committee (The Committee) which consists of Chief Executive Officer, Chief Operating Officers, directors, managers and relevant officers has managed and made decisions by separating into the key following areas:

## **Environmental**

The boundary of the consideration of the Committee has set to concern the environmental impacts of operations by all business groups involving the impacts on air quality, odors, wastewater and industrial waste which is carried out in conjunction with the annual operational plan. In 2022, the Committee approved the implementation of the reforestation of 7,000 rai according to the Natural Climate Solutions guidelines. Furthermore, the Committee agreed with the execution of the Environmental Performance Assessment Program (EPAP) and approved industrial waste management targets for factories in Thailand and abroad operation.

Aside from this, the Committee allowed the participations in the projects with major international environmental institutions/agencies, including the Science Based Targets Initiative (SBTi) to set a goal to reduce greenhouse gas emissions according to scientific knowledge, attending the annual World Business Council for Sustainable Development (WBCSD) meeting, acknowledging the participation of the Forest Solutions Group (FSG) to learn and promote the sustainable use of forests. The Committee also approved the reports on environmental information from companies that were recently acquired by the M&P to be added into the Environmental Performance Indicators (EPI) as per the three-calendar year timeframe.

Regarding the assessment issues performed by the ESG rating agencies, the Committee has acknowledged the solutions from the working groups, provided recommendations to improve environmental performance and acknowledged the assessment score target formulation for each key ESG rating indicator. In this, the ESG unit function has applied the concepts and rolled out the annual operational plan to meet with the goal as approved by the Committee.

## **Social**

The Committee approved the target, the percentage of female employees in all management positions to support the collection of information on the number of women in managerial level. In addition, the Committee was informed of the statistics of accidents and injuries of employees and contractors in 2022, and also acknowledged Human Rights Due Diligence performance to identify human rights risks in the SCGP and supplier's operation sites and properly formulate mitigation plans and remediation actions.

## **Governance**

The Committee approved the principles of importing data from suppliers in line with the previously-approved EPI Guidelines to avoid confusion relating to counting some critical information from stakeholders along the value chain. In part of joining external international agencies, the Committee acknowledged a participation in the United Nations Global Compact (UNGC) and communication on progress through the channel specified by the UNGC. Besides, the Committee was informed of actions on law from the Compliance Monitoring Committee regarding the assessment of compliance with the laws in Thailand, including the 2023 action plans for Vietnam and Indonesia. Meetings were conducted 4 times committees' attendance were 89%.

**On behalf of the ESG Committee**



(Mr. Wichen Jitpukdee)  
Chairman of the ESG Committee

# The Risk Management Committee's Report

SCG Packaging Public Company Limited and its Subsidiaries

SCGP recognizes and places importance on enterprise risk management in order to enable the organization to capture business opportunities, achieve sustainable growth and possess agility to navigate in volatile or crisis situations. Thus, SCGP has implemented an enterprise risk management framework in consistent with international standards. In this regard, the Board of Directors has established the Risk Management Committee consisting of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officers and Chief Regional Officer. The Committee has a total of 11 members and 1 secretary, with the SCGP Chief Executive Officer serving as the Chairman. The responsibilities of the Risk Management Committee are as follows:

- Establish the risk management structure and identify responsible persons.
- Consider and approve risk management strategy, risk management framework, and risk management process.
- Review the risk appetite statement, risk profile and monitor the performance of risk management throughout the organization.
- Report risks and risk management performance to the Audit Committee on a quarterly basis.

In 2022, the Risk Management Committee convened for a total of four meetings to monitor and provide suggestions on the results of risk assessment. The meetings agendas also included creating mitigation plans, reporting progress on risk management, reviewing the Risk Universe and emerging risks, as well as preparing the strategic plans for the risk warning companies. Furthermore, the committee endorsed efforts to promote risk management knowledge by embedding

risk management concept in the agenda of company's executive meetings on a regular basis, in order to integrate risk management into business operations effectively, such as monitoring the packaging market situation and strategic country risks, monitoring recovered paper raw material costs, energy costs, interest rate and exchange rate risks, as well as following leading indicators that affect the business plans and investment projects. These are to ensure that the Company is able to achieve its business goals amidst extremely volatile markets.

For 2023, SCGP commits towards delivering values to all stakeholders by executing business strategies to create growth with quality and maintain leadership in integrated packaging solutions, implementing mitigation plans to reduce the impacts of volatility and expanding business with financial stability. These also ensure suitable returns for shareholders in accordance with corporate governance principles. In addition, the Company's risk management policy is published on the company's website. ([www.SCGPackaging.com](http://www.SCGPackaging.com))

On behalf of the Risk Management Committee



(Wichan Jitpukdee)  
Chairman of the Risk Management Committee

# Operating Results in 2022

## Operating Results

SCGP continues to grow with quality, while maintaining its leadership status as an integrated packaging solutions provider in the region amidst volatile economic situations, raw materials and energy prices. This was achieved through adopting cautious approaches and pursuing expansion strategy of cooperation with business partners in order to increase sales, enlarge the customer network, and enter into new business and new markets, supporting a wider range of customers' demands. SCGP also works closely with customers to develop packaging solutions and innovation, which catered to new demands and trends. Furthermore, SCGP has improved production processes to achieve operational excellence through knowledgeable and skilled personnel and an emphasis on Environmental, Social and Governance (ESG) aspects, resulting in customer and Consumer convenience, healthier lifestyles, better societies, and a sustainable environment.

In 2022, SCGP's total revenue from sales was Baht 146,068 million, an increase of 18% compared to the previous year, through expansion in the form of merger and partnership (M&P) and organic expansion, supported by the steady economic recovery in ASEAN following the aftermath of the COVID-19 pandemic. Domestic consumption has recovered with increasing demand for food and beverage products and consumer goods, although the demand for non-essential goods decreased due to the state of global economy at the time. EBITDA was Baht 19,402 million, a decrease of 8% compared to the previous year, and the profit for the year was Baht 5,801 million, a decrease of 30% compared to the previous year, due to higher material and energy prices and ASEAN economy being affected by COVID-19 preventive measures in China, which affected supply chain in production and trading activity within the region. Our network of plants, capable of producing various kinds of products for various industries, has helped to partially diversify risks and soften the effects caused by external uncertainties.

### Integrated Packaging Business

Revenue from sales of Integrated Packaging Business in 2022 was Baht 117,524 million, an increase of 11%, compared to the previous year, supported by increased demand for consumer goods and food and beverage products, as well as business expansion effort through consolidated new M&P companies: Duy Tan, Intan Group, and Deltalab. Moreover, SCGP has expanded its packaging paper capacity in the Philippines (UPPC3) and adjusted product pricing in accordance with the rising cost. EBITDA was Baht 14,729 million, a decrease of 8% compared to the previous year, due to increased recovered paper and energy cost in conjunction with decelerating global and ASEAN economy, affecting packaging demands, especially in durable goods, shoes, and clothing.

### Fibrous Business

Revenue from sales of Fibrous Business amounted to Baht 26,928 million, an increase of 30% compared to the previous year due to growth of foodservice packaging business in Thailand and Vietnam, overall upward trend of pulp and dissolving pulp prices, and increased demands for printing and writing paper with the reopening of academic institutes and offices. EBITDA was Baht 4,066 million, a decrease of 10% compared to the previous year because Q4/2021 was inclusive of non-operating item adjustment related to Go-pak's earn-out provision. Without this earn-out adjustment, EBITDA would increase by 22% compared to the previous year.

### Recycling Business and Others

Revenue from sales of Recycling Business and Others amounted to Baht 4,814 million due to the growth of packaging materials recycling business on a global scale with the merger of Peute Recycling B.V. (Peute), the Netherlands, and Jordan Trading Inc. (Jordan), the USA, in July and September respectively.



## Integrated Packaging Business

Revenue from sales **117,524** Baht Million increasing **11%** from the previous year

EBITDA **14,729** Baht Million decreasing **8%** from the previous year

## Fibrous Business

Revenue from sales **26,928** Baht Million increasing **30%** from the previous year

EBITDA **4,066** Baht Million decreasing **10%** from the previous year

## Recycling Business and Others

Revenue from sales **4,814** Baht Million

## Business Challenges

In 2022, the COVID-19 pandemic situation has improved, allowing the global economy to bounce back. On the other hand, energy price has increased and became volatile. Strict COVID-19 preventative measures in China also caused slower growth in manufacturing and trading activities in the region. However, demand for consumer staples, such as, consumer goods, and the export of agricultural goods, frozen food and processed food, still saw steady growth. Demand for non-essential goods, such as, clothing, shoes, and electronic goods, had seen a slowdown, due to a decreased of consumer purchasing power inside and outside of ASEAN during the period of high inflation. With these challenges, SCGP plans to carry on pursuing quality growth through Merger & Partnership, the expansion of packaging and related businesses with high growth potential, continuous development of innovation and packaging solutions. SCGP also enhances supply chain integration, proactively manages the effective plans to cope with uncertainties, and drives the business through the ESG 4 Plus framework to achieve Net Zero by 2050.

## Business and Investment Development

- Expanded fiber packaging capacity by an additional 75,000 tons per year through Thai Containers Group Co., Ltd. to fulfill the growing demand for fiber packaging in Thailand, with expected commercial startup in the first quarter of 2024.
- Acquired 100.0% shares in Peute Recycling B.V. (Peute), the largest recycling company of paper and plastic packaging in the Netherlands. This investment will strengthen SCGP's packaging recycling potential as well as extend SCGP's material supply network to meet customers' and consumers' higher demands.
- Acquired 90.1% of shares in Jordan Trading Inc. (Jordan), a trader of recovered paper (RCP) based in the USA. The purpose is to enhance SCGP's capability to supply recovered paper while collaborate and share knowhow to increase efficiency of SCGP's recycling network in ASEAN and Europe.
- Invested in flexible packaging business expansion project in Thailand by Prepack Thailand Co., Ltd. through the purchase of assets in flexible packaging business from Cyberprint Group Co., Ltd., a multi-type printing and packaging service provider in Thailand, resulting in around 12% increment of Prepack's total production capacity.

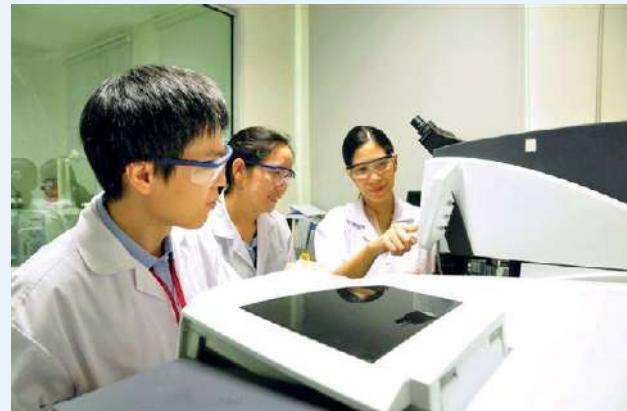
## Human Resource Development

- Encouraged continuous self-development for employees as per SCGP Learning Framework to ensure that their capability is up-to-date, able to overcome new challenges, including fast-paced demand and lifestyles of consumers and new environment, and possess knowledge, functional competency, and leadership competency through various forms of learning and the 70:20:10 learning solutions. Employees could improve themselves anytime and anywhere with the learning platform, which outputs learning performance in line with organizational capability and people capability.





- Enabled employees to design their career through competency assessment and compare the result with the positions in the organization, which in turn helped employees to be able envision their own career path. This also encourages employees to emphasize on learning, self-development, and competency building, respond to the organizational vision, and pass values to customers, while meeting their own needs and growing alongside customers and the organization.
- Assessed high-performance employee groups (or talent groups) annually and ensured the assessment criteria are in line with the vision and mission of the Company, including cultures and behaviors that can respond to changes, and increase customer centricity. In terms of development of talent groups, the Company encouraged planning for self-development and facilitated talent improvement learning with online and offline models, a mentoring system, project assignment, and employee performance assessment, as well as considering future succession planning.
- Encouraged employees to comply strictly with safety regulations, starting with themselves before passing on the mindset to surrounding individuals, as well as being a role model for colleagues to meet the safety-related goals of the business.



- Cultivated an innovative culture through “The Inspiring Innovation” project to continually encourage employees to pursue innovative products, as well as improve work processes or systems to increase manufacturing efficiency through hands-on experience in the form of education and contests. This activity also promoted learning and innovation with the assistance of external experts and employees in order to expand knowledge and apply it at work.
- Improved employees’ communication skills through the “MC Star Search” project to make this a key modality of transmitting information and stories within the organization and on many internal and external platforms, by learning through the experience of colleagues and hands-on experience.

## Business Model, Solutions, and Product & Service Development

- Changed organization's logo to align with the vision of becoming the leading integrated packaging solutions provider in the region with a clear business direction, high-quality and sustainable goals, and a global presence as well as unifying companies within SCGP.
- Signed MOU with Kao Industrial (Thailand) Co., Ltd., a leading consumer goods manufacturer and chemical supplier, to jointly develop and introduce innovative products using sustainable and customer centricity approaches to minimize pollution and preserve the environment for future generations.
- Jointly designed Green Meeting with the Ministry of Foreign Affairs on the occasion of Thailand hosting APEC 2022 Thailand by utilizing recycled paper in the process of design and production. The products were eco-friendly, sturdy and durable, and could be used to organize an event or decorate a venue for an entire year, for example, on any entrance, backdrop, photo spot, podium, public relations' activity, etc.



- Designed and produced paper lifestyle products, "Doozy by SCGP", for daily life, such as furniture, pet goods, decorative items, etc. which are durable and enable flexibility with various configurations, to meet customers' demands and environmental conservation efforts.
- Developed anti-microbial paper shopping bags to slow down microbial growth, making them suitable for carrying delicate items, such as medicine, important documents, etc.
- Collaborated with 3 leading medical supplies and labware distributors, namely, Meditop Co., Ltd., Affinitech Co., Ltd. and PCL Holding Public Company Limited to distribute medical innovation and medical solutions, satisfying the increasing demands for health goods and medical supplies in Thailand and ASEAN countries, enabling accessibility of high-quality medical supplies for consumers, improving quality of life and public health, as well as supporting potential growth of the business.
- Developed recycled plastic packaging (rPET Duy Tan) for food and beverage and consumer goods such as shampoo bottles, dishwashing soap bottles, etc. The packaging is also eco-friendly as it can be recycled for maximum utility.
- Developed PIR (Post Industrial Recycle) Duy Tan plant pots with various and beautiful designs, while still retaining durability, functionality, and eco-friendly production methods through recycled materials.
- Developed fresh cut paper tray, packing with quality to ensure freshness, good hygiene, safe consumption, and recyclability.



- Developed recyclable and eco-friendly paper lids for foodservice packaging.
- Developed dietary supplements “HOLIS by SCGP”, such as; HOLIS by SCGP IM-MU CAP, which contains golden cordyceps extract, produced by combining knowledge and cultivation expertise with SCGP’s unique tissue culture technology, mixed with Astaxanthin from red algae and Beta Glucan from yeast to boost immune system and balance body elements and; HOLIS by SCGP B CAP, which contains bamboo mushroom powder, krill oil, and DHA from algae oil as nourishment for one’s brain and nervous system, and for a better memory.
- Developed ALMIND by SCGP Baby Hygienic Wipes for Skin to reduce pathogen, bacteria accumulation

and preserve a high level of hygiene. It also contains AQUACELLA® to nourish skin and lock in the moisture.

- Developed organic fertilizer capsule by SCGP to ferment soft leftovers for household and community use. It’s easy to use and contains smelly odors from the fermentation. In addition, the capsule comes with beautiful designs and allows users to plant flowers or vegetables around it for faster growth and yields through organic nourishment.
- Applied digitalization, automation, and artificial intelligence (AI) in workplaces to analyze, predict, and improve production performance and productivity for industry sectors, such as Automated Warehouse, Automated Truck Scale Operation (ATO), etc.

## Business Operations Following Sustainable Development Principles and ESG

SCGP values its importance on 20% greenhouse gas reduction by 2030 compared with the base year 2020 covering Thailand and abroad operation while setting target to achieve Net Zero by 2050 as part of the joint effort to limit the rising of average global temperature not exceeding 1.5 Degrees Celsius in accordance with the Paris Agreement. Furthermore, SCGP intends to reduce water withdrawal by 35% by 2025 compared with Business As Usual (BAU) at the base year 2014. In order to achieve desired outcome, we are committed to careful operation control under good governance process following with international guideline. In addition, SCGP has reduced industrial waste while increasing ratio of recycled paper and recyclable plastic packaging with target to accomplish 100% recyclable, reusable, or compostable packaging by 2025.



## Energy Management and Climate Change

Currently, SCGP reduced greenhouse gas emission by 12.7% with activities as follows:

- Improved efficiency, changed work processes and equipment, reducing energy consumption by 250,946 gigajoules per year and greenhouse gas emissions by 21,217 tons CO<sub>2</sub> equivalents per year.
- Increased biomass fuel consumption, reducing greenhouse gas emissions by 404,478 tons CO<sub>2</sub> equivalents per year, and increased biogas consumption at the PT Fajar Surya Wisesa Tbk., Indonesia, reducing greenhouse gas emissions by 36,000 tons CO<sub>2</sub> equivalents per year.
- Expanded the Solar Roof project, saving 10.5 megawatt for a total of 22.3 megawatt while reducing greenhouse gas emissions by 10,238 tons of CO<sub>2</sub> equivalents per year.
- Adopted Natural Climate Solutions (NCS) by growing and preserving forests for carbon dioxide absorption and storage. In 2022, SCGP organized a tree-planting activity in various provinces, planting a total of 999,263 trees as part of a nature restoration and preservation project. The Siam Forestry Co., Ltd. piloted the Kamphaeng Phet forest growing project and registered areas in the T-VER project for 684.4 rai, resulting in 14,315 tons of CO<sub>2</sub> equivalents absorbed, and Siam Kraft Industry Co., Ltd., Wang Sala Plant, Siam Kraft Industry Co., Ltd., Ban Pong Plant, Phoenix Pulp & Paper Public Company Limited and Siam Forestry Co., Ltd. for 7,138 rai, which are pending review for registration on the T-VER project in 2023.
- SCGP established Internal Carbon Pricing (ICP) during 2022 - 2024 with maximum values 25 US dollar per ton of carbon dioxide equivalent in order to support eco-friendly projects. Currently, the number of ICP-approved projects is 5 projects, amounting to Baht 159 million.
- SCGP consistently monitors and assesses the risks to its business and creates preventive measures to accommodate various situation under the management of the Risk Management Committee and the Energy and Climate Change Committee, with an approval by the Chief Executive Officer to disclose information in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) guideline.

## Water Management

- SCGP conducted comprehensive water management by utilizing WRI AQUEDUCT, a global water risk assessment tool, to assess water stress in operational areas across the ASEAN region. The Company also undertook risk assessment for various situations, for example, quantity and quality risks, regulatory and structural risks, and stakeholder conflicts risks. It outlined water situation simulation plans and predicted water volume in any water sources as well as assessed Business Continuity Management (BCM) for water Business Continuity Planning (BCP). In addition, SCGP follows water situations and water resource management with the government sectors, locals, and industries.
- SCGP aimed to reduce water withdrawal 35% by 2025 compared with Business As Usual (BAU) at the base year of 2014 in accordance with the 3R principle, focusing on improving water utilization during the production process of the Company for optimal performance. Currently, SCGP is able to reduce water withdrawal 28% compared with Business As Usual (BAU) at the base year of 2014 while increasing proportion of recycled water to 16.3%.
- SCGP has been increasing water utilization efficiency on a continuous basis by analyzing water utilization for the entire cycle of the production process from source to destination, improving machinery, and installing new equipment in order to increase water consumption efficiency in the production processes.
- SCGP installed water treatment system which uses modern and high-performance biological approaches to ensure that the effluent quality meets the defined standard. SCGP also installed a real-time water quality tracking system, allowing the Company to monitor Chemical Oxygen Demand (COD) online.

## Industrial Waste Management

SCGP continues to manage industrial waste in accordance with 3R principles (Reduce, Reuse, Recycle) and Circular Economy principles by reducing waste from its production processes and managing waste, hazard and non-hazard wastes, within SCG and SCGP as efficiently as possible. SCGP adheres to standards defined by the government or international organizations, going beyond compliance by researching and developing innovation to recycle or process waste into value-added products. In Thailand, SCGP reduced waste from production process to landfills to zero ton (no landfill). SCGP has managed to recycle industrial waste by 99.99% of total managed wasted.



### Environmental Engagement and Recognition

- SCGP has been invited to participate in the Dow Jones Sustainability Index (DJSI) as a result of the 2022 Corporate Sustainability Assessment (CSA) in the Containers & Packaging Industry by S&P Global for the first time. Based on the result announcement on February 7<sup>th</sup>, 2023, SCGP received a total score of 86, representing the Top 1% and Industry Mover of the Containers & Packaging Industry.
- SCGP has been selected in the 2022 Thailand Sustainability Investment (THSI) list and SET THSI Index for 2 consecutive years and received 2 SET Awards, in the Business Excellence class, Best Innovative Company Awards category, and in the Sustainability Excellence class, Best Sustainability Awards category, from the Stock Exchange of Thailand due to the sustainable business development which reflected SCGP's commitment on the ESG principles for sustainable development and business growth.
- SCGP has joined in the Science Based Targets initiative (SBTi), a collaborative effort between international agencies with over 2,000 world-leading companies participating in the initiative currently, to reduce greenhouse gas emissions with evidence through scientific measurement. The initiative is internationally accepted and aligned with the goal of the Paris Agreement on reducing the impact of climate change.
- SCGP has announced the intention to commit to sustainable business and social responsibilities by participating the United Nations Global Compact (UNGC) to support 10 international principles covering 4 important issues: Human rights, labor standards, environmental conservation, and anti-corruption.
- SCGP is 1 of 30 companies in Thailand to receive the first CIRCULAR MARK in 5 pilot products, such as, Idea Green copy paper, consumer paper bag, Fest Bio, Laminated mono-material (R1), and 100% PCR HDPE pet shampoo bottle. This displayed leadership in the Circular Economy for domestic and overseas entrepreneurs, which ensures high quality products and packaging with the Circular Economy in mind, utilizes eco-friendly production processes, stores expired materials, and flows them back into the appropriate process.
- Thai Containers Group Co., Ltd., Pathum Thani Plant, Ratchaburi Plant, Songkhla Plant, and Saraburi Plant in SCGP have received the Product Carbon Footprint label on corrugated containers for 37 products from the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), demonstrating the commitment and responsibility of the Company towards sustainable supply chains to help alleviate the effect of climate change by reducing resource consumption and prepare and pilot solutions for tax measures, domestically and overseas.

## Social and Environmental Activities

### SCGP Conserving Environments from Mountain through Mighty River Project

SCGP collaborated with government sectors and volunteers to build check dams around water sources in Kanchanaburi province for a total of 495 check dams, which help to restore ecosystem balance and create a sustainable water cycle for the entire water path that communities can use sustainably.

### SCGP Plant Beats Heat Project

SCGP invited 3 LPGA professional golfers “Moriya Jutanugarn (Pro Mo)”, “Ariya Jutanugarn (Pro May)” and “Pajaree Anannarukarn (Pro Meaw)” to plant trees in the “SCGP Plant Beats Heat” project for a total of 1,000 trees in order to increase number of trees around the water source at the center of the community for utility, as well as agriculture at the Ban Sa Sethi, in Tha Muang District, Kanchanaburi, as part of the SCGP’s tree plantation activity to absorb carbon dioxide, restore the natural ecosystem, and balance biodiversity. SCGP has planted a total of 68,863 trees in Ratchaburi, Kanchanaburi, Prachinburi, and Khon Kaen where its factories are located, as well as offered education to preserve and sustain growth of forests.



### Used Paper Recycling by SCGP Recycle

SCGP Recycle collaborated with business partners to gather and recycle used paper for sustainable management:

- SCGP and the Ministry of Industry held the “80 Years of Ministry of Industry, 8,000 Kilograms of Recycling and Returning to The Society” event to promote efficient use of resources and channel used paper from each department into recycling process before making them into new products such as copy paper, paper field hospital beds, student desk sets, table sets and etc., for public use as per the BCG Model of the Ministry of Industry.



- SCGP collaborated with the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) by collecting used paper and decorative materials from meetings of APEC Business Advisory Council–ABAC and APEC CEO Summit 2022. SCGP recycled and designed these into beautiful, durable, and environmentally-friendly bookshelves before donating them to Ratchabophit School and child development centers in the community.
- SCGP collaborated with UNIQLO Thailand to collect and recycle used paper into durable and beautiful paper furniture before donating them to the UN Refugee Agency (UNHCR) in Ratchaburi and Kanchanaburi. The collaborative effort was expected to continue in other UNIQLO branches around the country.





- SCGP collaborated with Chewathai in the “Chewathai by CHEWA x SCGP” project by opening donation points for the donation of paper boxes to be recycled into student desk sets, then giving them to the Ban Pa Lao School and remote communities, to improve their well-being and quality of life.
- SCGP collaborated with Shopee in the “Paper Box Rebirth” project which boxes are recycled to new products, such as student desk sets, table sets, etc. as a form of corporate social responsibility, for various agencies, organizations, and foundations.
- SCGP collaborated with Thailand Post Co., Ltd. and 40 allied agencies, from both the government and private sectors, and mass media in the “reBOX” project for the 3<sup>rd</sup> consecutive year with the framework of “reBOX to School” that used boxes and envelopes for a total of 110,000 kilograms were recycled into 95 bookshelves before donating them to students in kindergarten until primary education in border patrol police schools.

### **Strengthening Social Enterprise through Paper Band Weaving Project**

SCGP promoted the weaving of paper band, waste materials from paper production, as well as allowed students and surrounding communities to develop various forms of products on a regular basis. In 2022, SCGP collaborated with the THINKK Studio in the TRANSFORMATION Waste to Value Workshop, promoting upcycling which is used to



value-add to waste materials. In addition, handicraft community enterprises around the plants in Ratchaburi, Kanchanaburi, Prachinburi, and Khon Kaen, including professors and students in the field of design and materials science, were invited to the workshop to try sharing ideas and test new products with leftover materials from SCGP. With creative thinking and upcycling, the communities generated revenue totaling over Baht 720,000 in 2022.



### **SCGP Packaging Speak Out 2022 Project**

SCGP held a packaging design contest, “SCGP Packaging Speak Out 2022”, in university education for the 7<sup>th</sup> year with the theme of “RETHINK FOR BETTER NORMAL”, allowing Generation Z youth to propose creative packaging solutions and take part in the change for the betterment of the world and environment with innovative and unique approaches, as well as providing education on the topic of “EASY to RECYCLE” or “UPCYCLE”. A total of 267 ideas from several fields of study and institutions around Thailand were submitted.

### **SCGP Packaging Speak Out Vietnam 2022 Project**

AS SCGP successfully held packaging design contests in Thailand and aimed to support youth development in ASEAN, the “SCGP Packaging Speak Out Vietnam 2022” project was conducted for university education in Vietnam for the 2<sup>nd</sup> year, in order to help instill creativity in new generations and provide a platform to promote innovative packaging design.

### **SCGP Zero Waste Community Project**

SCGP cooperated with Ban Pong District and its 17 local government organizations, Ratchaburi Province, to promote the Circular Economy and uplift the district as a role model in efficient waste management for 3 consecutive years. In this year, 20 new communities joined the project, bringing the total to 61 model communities; SCGP aimed to reach out to all 183 communities in the Ban Pong District by 2030. In addition, SCGP brought this project into Prachinburi, Kanchanaburi, and Khon Kaen, where SCGP’s plants were located, to 11 communities and implemented collaborative efforts with the local authorities to develop 4 more communities surrounding the plants in Ban Pong District, Ratchaburi, and Tha Muang District, Kanchanaburi, received awards from Department of Environmental Quality Promotion in 2022. The communities could step up into being a role model for zero waste communities and leverage sustainable waste management efforts to other communities.

### **Sports Support and Promotion Project**

SCGP supported and promoted world-class golfers “Moriya Jutanugarn”, “Ariya Jutanugarn”, “Pajaree Anannarukarn”, and “Atthaya Thitikul”, as well as world-class badminton players “Dechapol Puavaranukroh” and “Sapsiree Taerattanachai”, who possessed potential and mental fortitude to motivate themselves along the challenging journey towards their goals that led them to success on the world stage. They also became an inspiration and role model for new generations.

### **Flood Relief Project**

SCG Foundation with Phoenix Pulp & Paper Public Company Limited in SCGP jointly donated 1,200 sets of toilet paper as well as survival packs and consumer goods to help flood victims in the Mueang District, Nam Phong District, and Ubolratana District of Khon Kaen after the passing of the Typhoon Noru, and went into the affected areas to help and nurture the communities until the situation returned to normal.



## Awards and Achievement in 2022



- SCG Packaging Public Company Limited received “Business Excellence Awards” in the category of Best Innovative Company Awards, due to innovative Nanocellulose fiber for the packaging paper industry and “Sustainability Excellence Awards” in the category of Best Sustainability Awards due to the business operations in line with sustainable development from SET Awards 2022 hosted by the Stock Exchange of Thailand.
- SCG Packaging Public Company Limited and Thai Containers Group Co., Ltd. won the Design Excellence Award 2022 (DEmark) in the category of Best Design in 2022 with the “Khudin by SCGP” submission. The event was hosted by the Department of International Trade Promotion, Ministry of Commerce.
- SCG Packaging Public Company Limited won the “Marketing Award of Thailand 2021” in the category of Sustainable Marketing Excellence with the “Old For New” campaign. The event was hosted by the Marketing Association of Thailand.
- Thai Containers Group Co., Ltd. received the AsiaStar Awards 2021 in the packaging design contest, hosted by the Asian Packaging Federation. Awards are:
  - 3 Awards of Consumer Package
- Thai Containers Group Co., Ltd. received the ThaiStar Packaging Awards 2022 in the packaging design contest, hosted by the Ministry of Industry for a total of 9 awards:
  - 6 Awards of Consumer Package
  - 2 Awards of Transport Package
  - 1 Award of Point of Purchase

- Thai Containers Group Co., Ltd. received the BETAGRO Supplier Excellence Awards 2022 in commendation of its excellent performance in quality, pricing, transportation, services, and innovation as well as commitment to ensuring steady and sustainable growth of the Company alongside Betagro Public Company Limited.
- Thai Containers Group Co., Ltd., Songkhla Plant, received the Outstanding Workplace Award for Safety and Occupational (ASEAN-OSHNET Awards 2022) in the category of Best Practice Award from the Ministry of Labour.
- Prepack Thailand Co., Ltd. and Duy Tan Plastics Manufacturing Corporation Joint Stock Company received ISCC PLUS certification by International Sustainability and Carbon Certification (ISCC), applicable worldwide to certify organizations with superior carbon and sustainability management throughout their supply chain.
- Thai Containers Group Co., Ltd. won the Silver Award in the Business Partner Award 2022 from Thai Beverage Public Company Limited in commemoration of excellent performance and commitment in sustainable management from 2021-2022, and outstanding collaborative efforts in supply chain development.





- Companies in SCGP won the Outstanding Workplace Award for Safety, Occupational Health and Environment in 2022 from the Ministry of Labour.

**■ Platinum Award**

- Thai Containers Group Co., Ltd., Nava Nakorn Plant
- Thai Containers Group Co., Ltd., Samut Prakan Plant

**■ Diamond Award**

- Thai Cane Paper Public Company Limited, Kanchanaburi Plant

**■ Gold Award**

- Thai Containers Group Co., Ltd., Kamphaeng Phet Plant
- Thai Containers Group Co., Ltd., Prachinburi Plant
- Thai Containers Group Co., Ltd., Chonburi Plant
- Thai Cane Paper Public Company Limited, Prachinburi Plant
- Phoenix Pulp & Paper Public Company Limited

- Companies in SCGP received the Outstanding Organization Award - Labor Relations and Welfare in 2022 from the Ministry of Labour.

**■ Best Award**

- Thai Cane Paper Public Company Limited, Kanchanaburi Plant

**■ Honorary Award**

- Thai Containers Group Co., Ltd., Ratchaburi Plant
- Thai Containers Group Co., Ltd., Nava Nakorn Plant

**■ National Award**

- Thai Containers Group Co., Ltd., Nava Nakorn Plant
- Thai Containers Group Co., Ltd., Samut Prakan Plant
- Tawana Container Co., Ltd.
- Orient Containers Co., Ltd.

- ConimexCo.,Ltd. received "Asia Pacific Supplier Award 2022" in the category of Environmental Sustainability from Shell Lubricant Asia Pacific, as a company demonstrating great performance and potential in environmental sustainability, which was selected from a list of 400 companies in Asia-Pacific.

- Siam Kraft Industry Co., Ltd., Wangsala Plant, received the "Prime Minister's Industry Award" in the category of Environmental Quality Conservation in 2022 from the Ministry of Industry.

- Thai Cane Paper Public Company Limited, Prachinburi Plant, received the "Safety Officer Performance Excellence Award" in 2022 from the Ministry of Labour.

- Phoenix Pulp & Paper Public Company Limited received "Outstanding Workplace Award for Disease Prevention and Control on Specific Area (Bubble and Seal measure)" with a high rating from the Ministry of Public Health.

- Vina Kraft Paper Co., Ltd. (VKPC) was listed on the Top 100 Sustainable Companies and won the "Gender Equality in Workplace Award" in 2022 in Vietnam for 2 consecutive years from the Sustainable Companies in Vietnam project, as managed by the Vietnam Business Council for Sustainable Development (VBCSD).

- Duy Tan Plastics Manufacturing Corporation Joint Stock Company was listed on the Top 100 Best Places to Work, and won the "50 Vietnamese Enterprise with Attractive Employer Brands" Award in 2022 in Vietnam, as hosted by Anphabe.

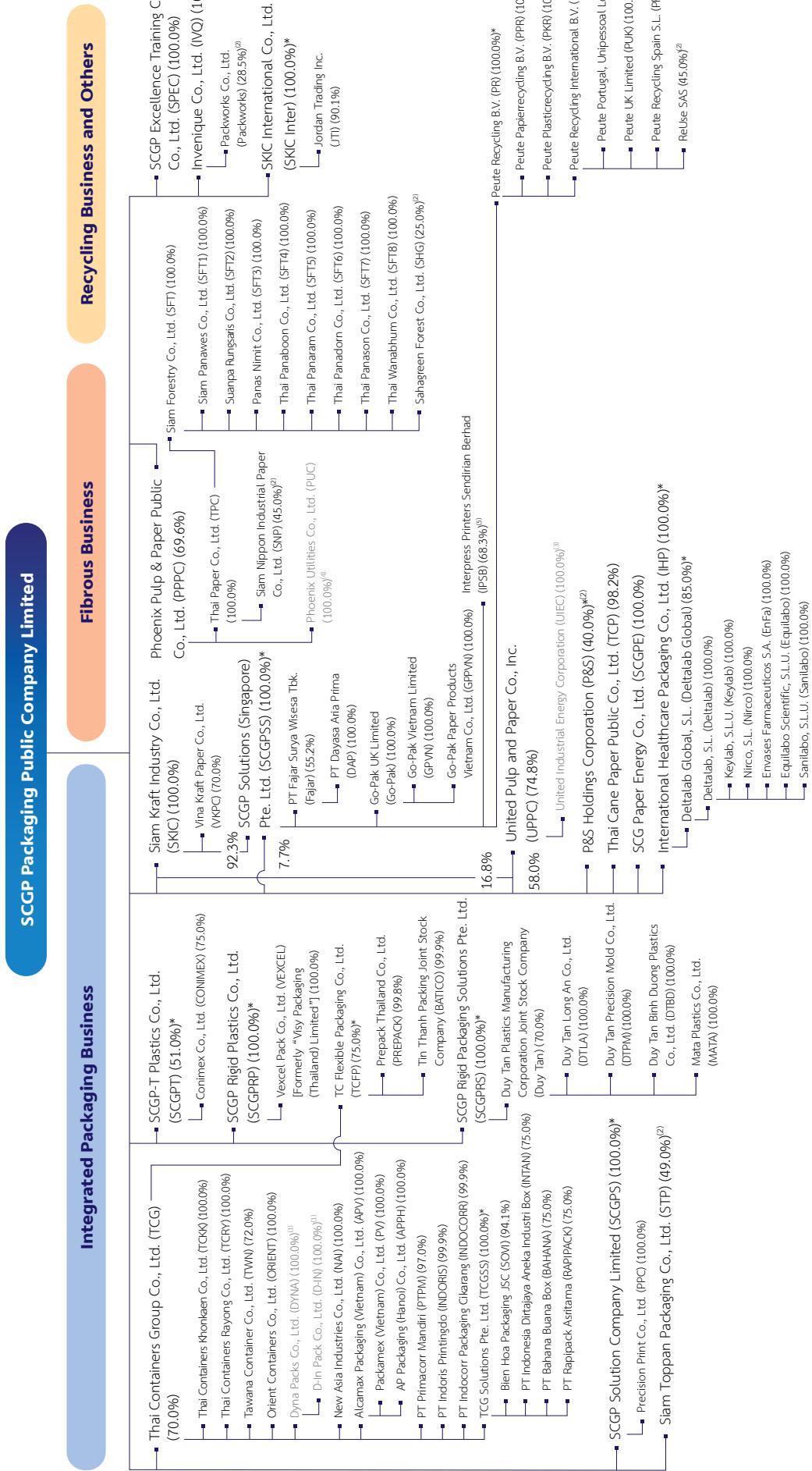
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company received the "Top 10 Vietnamese Strong Brands Awards 2022" in the category of Manufacturing and Processing Industry, hosted by VnEconomy and Vietnam Economic Times Magazine.

- HOLIS by SCGP IM-MU CAP received the "Best Brand of the Year Award" in the category of Innovation Reader's Vote in Cheewajit Awards 2022, organized by Cheewajit Magazine. The award was given to leading, innovative, and environmentally-friendly products in Thailand and abroad with advanced production technology that meet the needs of health-conscious consumers.

- ALMIND by SCGP received the "Rising Star Award from Amarin Baby & Kids Awards 2022" in the category of Best Disinfectant Cleaner for Families. The award was given to the outstanding brand selected by the editorial team of the Amarin Baby and Kids Fair 2022. The brand being honored through the award must provide quality product that is attractive, pleasant to use, and suitable for babies.

Shareholding Structure as of December 31, 2022

As of December 31, 2022, SCGP holds shares in 78 subsidiaries and 6 associates. The operations are divided into three main businesses: 1) Integrated Packaging Business (2) Fibrous Business and 3) Recycling Business and Others, with detail of shareholding as follows:



Remark \*Holding Company

<sup>(1)</sup> DYNNA and DIN transferred the entire business to ORIENT on November 1, 2020 and registered the dissolution of the company with the Department of Business Development, Ministry of Commerce on December 22, 2020. It is currently in the process of liquidation.

<sup>(3)</sup> IIEC restricted the termination of its business on April 30, 1987.

UIC registered the termination of its business on April 24, 1997.

UIEC registered the termination of its business on April 24, 1997.

### The Consideration of the Size of a Holding Company in the Stock Exchange

SCGP is a holding company. The Company is entirely qualified according to criteria in the Announcements, with the following details.

Comparison Criteria of the size of the Company	Qualifications according to the Holding Company Announcement	Qualifications of the Company <sup>(2)</sup>
1. The size of the subsidiaries that operate main business compared to the size of the Company  $\frac{\text{Total assets - Investments in associates and other companies}}{\text{Total assets}}$	$\geq 25.0\%$	99.47
2. The size of companies that operate main business compared to the size of the Company  $\frac{\text{Total assets - Investments in other companies}}{\text{Total assets}}$	$\geq 75.0\%$	99.99
3. The size of other companies compared to the size of the Company  $\frac{\text{Investments in other companies}}{\text{Total assets}}$	$\leq 25.0\%$	0.01

**Remark:** <sup>(1)</sup>Indicated in the Announcement of Stock Exchange of Thailand Board of Governors, numbered TJ. 39/2559, on requesting permission and granting permission to new share offerings, dated 30 September 2016 (including the amended version), and the Announcement of the Office of the Securities and Exchange Commission, numbered SJ. 50/2561, on the consideration of the size of a company, about the granting permission of new share offerings from a holding company, dated 28 September 2018.

<sup>(2)</sup>Calculated according to the information in SCGP's consolidated financial statements for the year ended 31 December 2022.

### Relationship with Business Groups of Major Shareholders

The Siam Cement Public Company Limited (SCC) is the Company's major shareholder, with a shareholding of 72.12 % of the Company's issued and paid-up capital. SCC has 3 main businesses: Cement and Building Materials, Chemicals and Packaging. The group enters into related transactions with ordinary commercial agreements with SCC to sell certain products to SCC, such as industrial bags for cement products, corrugated containers for transport, display advertising and

raw materials from SCC group, including petrochemicals and recovered paper. In 2022, SCGP received 2.7% of its incomes from SCC Group (2.2% in 2021) and also spent 9.6% of its total costs and expenses on SCC Group's products and services (10.3% in 2021). These purchases were made under suitable conditions, at fair prices, and in line with the Company's arm's length transactions with third parties. Moreover, the Company also entered into other related transactions. More information can be found in "Related Transactions."

The organizational structure of the Siam Cement Public Company Limited as of December 31, 2022 is illustrated as follows:



### Shareholders' agreements in matters affecting the issuance and offering of securities or the Company's management

- None -

### Persons presenting a potential conflict of interest if they hold shares in subsidiaries or associated companies adding up to more than 10% of the votes in that company

- None -



# **Operating Structure of the Group Companies**



# Business Operations and Operating Performance

## SCGP Vision, Purpose, Mission, Strategy

SCG Packaging Public Company Limited (SCGP) embraces four important business philosophies: Adherence to fairness, Dedication to excellence, Belief in the value of the individual, and Concern for social responsibility. Our vision **is to be a leading multinational consumer packaging solutions provider through innovative and sustainable offerings.** SCGP also focuses on achieving the following missions:



- Enhancing customers' brand and their supply chain efficiency through innovating renewable products and services.
- Continuing its expansion both in Thailand and overseas as well as enhancing the diversity of its product offerings and customer base to capture macroeconomic growth and the increase in consumer expenditures in the region.
- Committing to undertaking proactive actions in respect of sustainable development and being the pioneer of the Circular Economy in ASEAN.

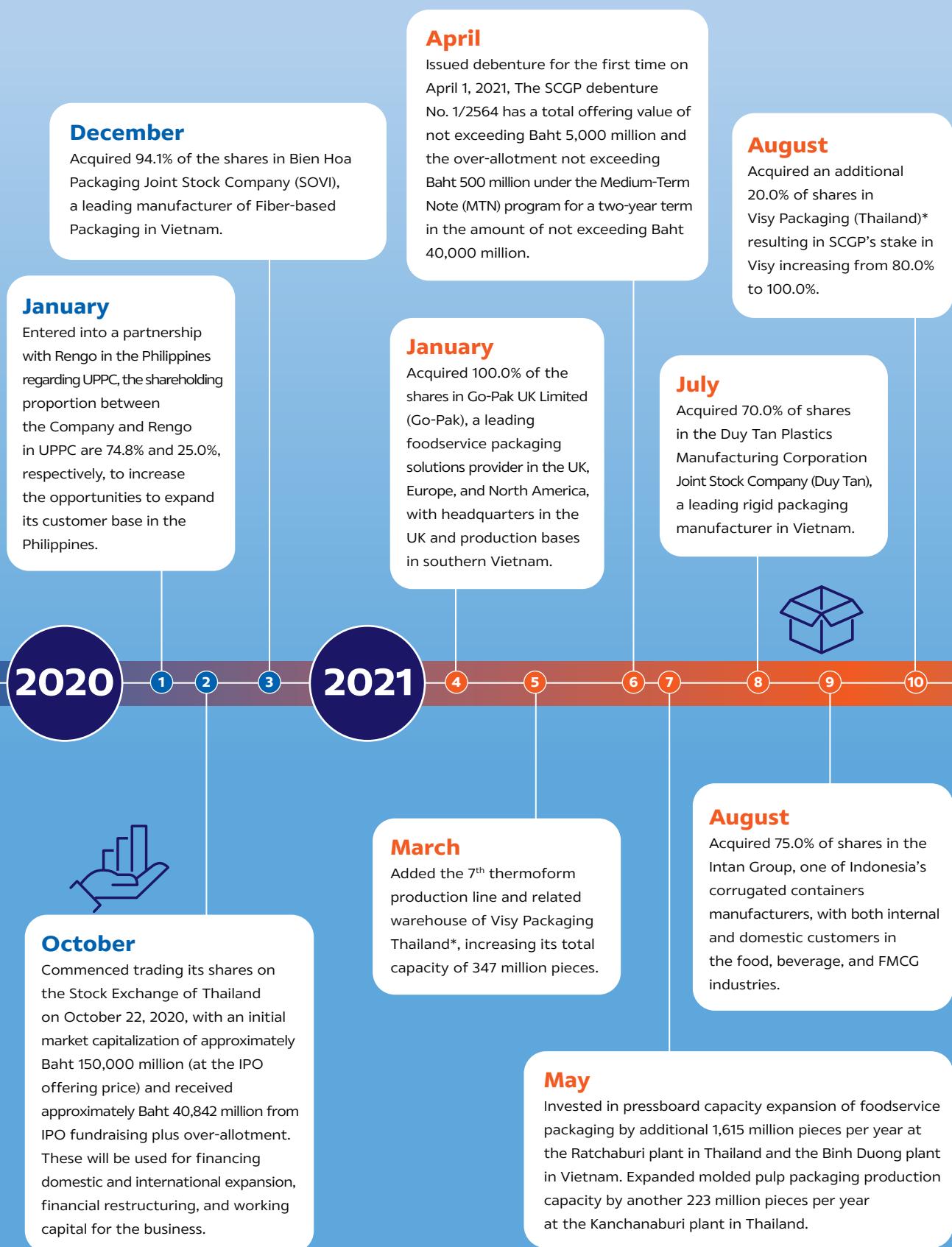
SCGP's long-term purpose is to **grow people and businesses for a better planet.** By embracing the Environmental, Social, and Governance (ESG) aspects, SCGP strives to achieve sustainability in its business. SCGP adopts the Circular Economy principles in its operations. The goals of the Circular Economy principles are to optimize the use of resources, raw materials, and products and preserve their value through the methodology of reuse, reduction, and recycling, aiming to solve problems linked to limited natural resources and waste issues. Achieving these goals will sustain our competitiveness and support our commitment to sustainable development.

## SCGP's Business Strategy

- Pursuing quality growth through merger & partnership and organic expansion
- Aiming to become a top-of-mind packaging in solutions provider through innovations and sustainable products/services in response to E-commerce mega trend
- Achieving operational excellence
- Operating businesses based on the principle of sustainable development in line with ESG (Environmental, Social and Governance) concepts

## Major Changes and Development

Significant changes and development over the past three years in chronological order as follows:



**May**

Invested in high-quality corrugated containers and sheet board production capacity expansion of additional 75,000 tons per year through the Thai Containers Group Co., Ltd. Commercial start-up date is expected in the first quarter of 2024. This investment will improve SCGP's production potential to meet increasing demands for corrugated containers in Thailand as economy continues to recover.

**December**

Issued the Debenture No. 2/2022 (SCGP26DA) in the amount of Baht 5,000 million (Issue Date 1 December 2022, Tenor 4 Years, Coupon Rate 3.50% per annum) for the purpose of loan repayment and/or investment and/or business expansion and/or working capital.

**December**

Acquired 85.0% of shares in Deltalab, the medical supplies, and labware specialist company registered in Spain. This investment is in line with the megatrend in healthcare and the growing tendency of an aging society.

**September**

Acquired 90.1% of shares in Jordan Trading Inc. (Jordan), a trader of recovered paper (RCP) based in the USA. The purpose is to enhance SCGP's capability to secure recovered paper, while collaborate and share knowhow to increase efficiency of SCGP's recycling network in ASEAN and Europe.


**2022**
**September**

Invested in the construction of a new packaging paper production complex in the north of Vietnam for Vina Kraft Paper Co., Ltd. (VKPC), which is in the process of environmental impact assessment and expected to be commissioned in 2025.

**July**

Acquired 100.0% shares in Peute Recycling B.V. (Peute), the largest recycling company of paper and plastic packaging in the Netherlands. This investment will strengthen SCGP's packaging material recycling capability as well as expand SCGP's material supply network to meet customers' and consumers' higher demands.

**December**

Invested in consumer and performance packaging business expansion project in Thailand by Prepack Thailand Co., Ltd. (Prepack) through the purchase of assets in flexible packaging business from Cyberprint Group Co., Ltd., a multi-type printing and packaging service provider in Thailand, resulting in around 12% increment of Prepack's total production capacity.

**August**

Issued the Digital Debenture No. 1/2022 (SCGP256A) in the amount of Baht 5,000 million (Issue Date 1 August 2022, Tenor 2 Years 10 Months, Coupon Rate 2.80% per annum) for the purpose of loan repayment and/or investment and/or business expansion and/or working capital.

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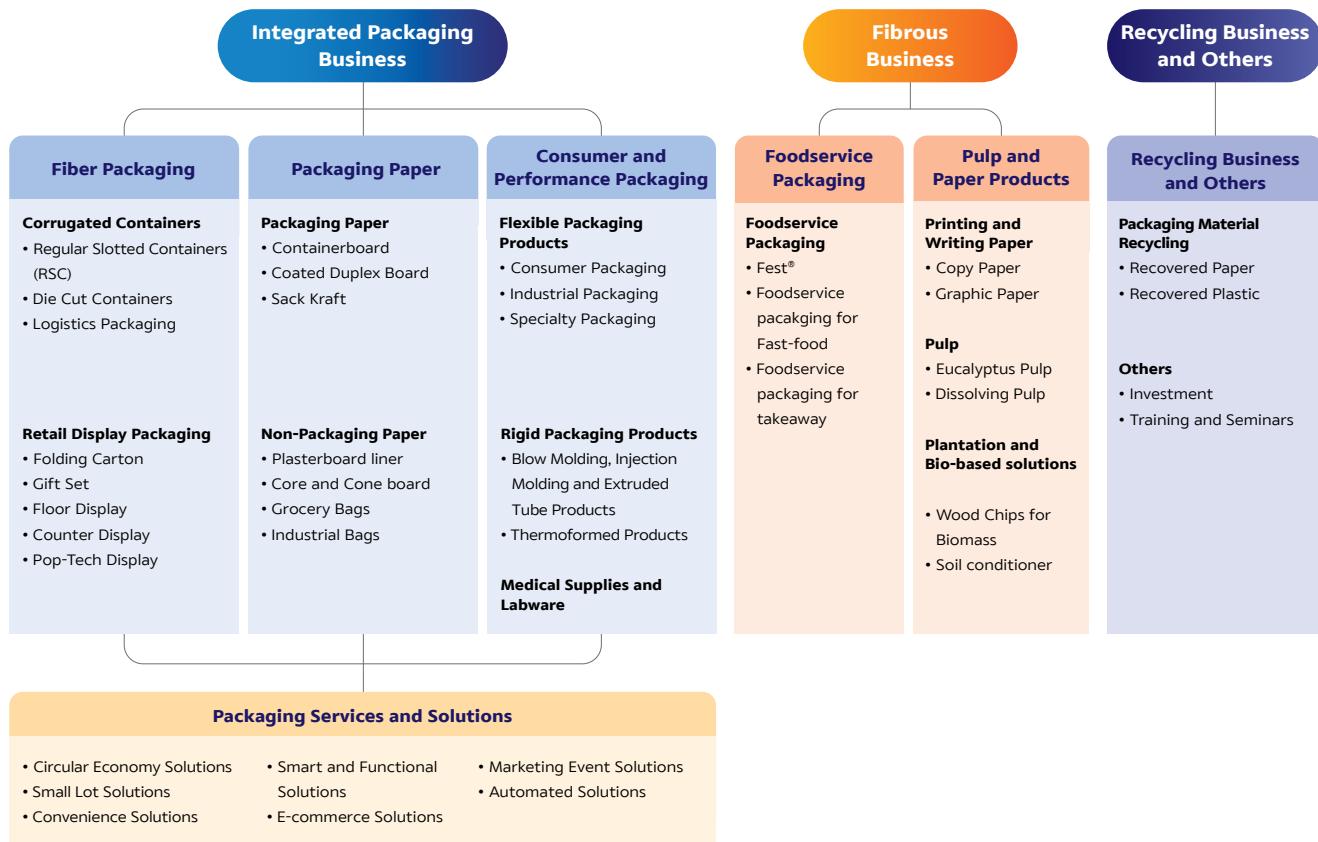
## Utilization of Proceeds

Concerning SCGP's initial public offering (IPO) of 1,166,920,200 shares, comprising 1,127,550,000 newly issued ordinary shares in the IPO in combination with the over-allotment of 39,370,200 newly issued ordinary shares to the overallotment agent, at the selling price of Baht 35.00 per share, in which the Company received the net proceeds in the amount of Baht 40,092 million after deduction of expenses relating to IPO from the initial process of Baht 40,842 million. As at 31 December, 2022, the Company has fully used proceeds from the share of Baht 40,092 million offering, according to the objectives and duration, as follows:

Description	Amount and duration	Proceeds used until December 31, 2022	Details
1. For the investment to expand its business by increasing its organic and inorganic production capacity, merger and partnership and/or for maintenance.	Baht 27,000 million (by 2023)	Baht 27,000 million	For the purchase of shares in SOVI, Go-Pak, Duy Tan, Intan Group, Deltalab, Peute, and Jordan and additional shares in Vexcel Pack, as well as investment for production capacity expansion and maintenance.
2. For the repayment of loans from financial institutions (which may include the financial institutions having a relationship with the financial advisor and/or the lead underwriter and/or the underwriters)	Baht 13,000 million (by 2021)	Baht 13,000 million	Used to repay loans to financial institutions
3. For the Company's working capital	Baht 92 million (by 2023)	Baht 92 million	Used as working capital in business operations

## Nature of Business

The Company's operations are organized into three main operating segments: Integrated Packaging Business, Fibrous Business, and Recycling Business and others.





#### **Integrated Packaging Business:**

SCGP offers Fiber Packaging, Packaging Paper, and Consumer and Performance Packaging. The Company produces and sells corrugated containers, retail display packaging, recycled grocery, and industrial bags for Fiber Packaging. To complement the already solid and responsive Fiber Packaging offerings to our customers and to serve customers' needs, the Company has been developing a Consumer and Performance Packaging business line since 2015, which produces flexible and rigid packaging that is, in particular, suitable for our customers that operate in the fast-moving consumer goods (FMCG) industry such as food and consumer products. Currently, the Company has a comprehensive and diversified portfolio of more than 150,000 SKUs in the Integrated Packaging Business to serve diversified end markets. Moreover, SCGP Inspired Solutions Studio, the comprehensive product design and development center

is also available to offer award-winning design services for packaging products, Point-of-Sale systems, and other marketing and promotional events for customers.

#### **Fibrous Business:**

SCGP offers Foodservice Packaging, pulp, and paper products comprising mainly printing and writing paper, pulp, and plantation and Bio-based solutions.

#### **Recycling Business and Others:**

SCGP offers recovered paper and plastic. The investment would enable SCGP to expand into the rapidly growing international packaging materials recycling business and support SCGP's long-term strategic direction to strengthen all levels of packaging business from strategic raw material sources through to the offering of integrated packaging solutions to customers.

## Revenue Structure

The table below shows the Company's revenue from sales for each of its business segments for the period specified.

Unit : Baht Million

	Total Holding <sup>(1)</sup>	Year					
		2022	%	2021	%	2020	%
<b>Integrated Packaging Business<sup>(2)</sup></b>							
<b>Fiber Packaging</b>							
Thai Containers Group Co., Ltd.	70	36,060	24.7	30,861	24.9	23,747	25.6
Orient Containers Co., Ltd.	70						
Bien Hoa Packaging Joint Stock Company	66						
PT Indonesia Dirtajaya Aneka Industri Box	53						
Tawana Container Co., Ltd.	50						
<b>Packaging Paper</b>		63,125	43.2	64,506	51.9	48,293	52.0
Siam Kraft Industry Co., Ltd.	100						
Thai Cane Paper Public Company Limited	98						
United Pulp and Paper Co., Inc.	75						
Vina Kraft Paper Co., Ltd.	70						
PT Fajar Surya Wisesa Tbk.	55						
<b>Consumer and Performance Packaging</b>		18,034	12.4	10,196	8.2	6,863	7.4
Vexcel Pack Co., Ltd.	100						
Deltalab, S.L.	85						
Duy Tan Plastics Manufacturing Corporation Joint Stock Company	70						
Prepack Thailand Co., Ltd.	52						
Tin Thanh Packing Joint Stock Company	52						
<b>Revenue from sales of Integrated Packaging Business<sup>(3)</sup></b>		<b>117,219</b>	<b>80.3</b>	<b>105,563</b>	<b>85.0</b>	<b>78,903</b>	<b>85.0</b>
<b>Fibrous Business</b>							
Go-Pak UK Limited	100	24,273	16.6	18,660	15.0	13,883	15.0
Phoenix Pulp & Paper Public Company Limited	70						
Thai Paper Co., Ltd.	70						
The Siam Forestry Co., Ltd.	70						
Interpress Printers Sendirian Berhad	68						
<b>Revenue from sales of Fibrous Business<sup>(3)</sup></b>		<b>24,273</b>	<b>16.6</b>	<b>18,660</b>	<b>15.0</b>	<b>13,883</b>	<b>15.0</b>
<b>Recycling Business and Others</b>							
Peute Recycling B.V.	100	4,576	3.1	-	-	-	-
<b>Revenue from sales of Recycling Business and Others<sup>(3)</sup></b>		<b>4,576</b>	<b>3.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue from sales</b>		<b>146,068</b>	<b>100.0</b>	<b>124,223</b>	<b>100.0</b>	<b>92,786</b>	<b>100.0</b>

Remarks : <sup>(1)</sup> Directly and indirectly holding through the Company and subsidiaries

<sup>(2)</sup> Data of each business segment in the Integrated Packaging Business is extracted from the Company's management accounts

<sup>(3)</sup> Net of intersegment elimination

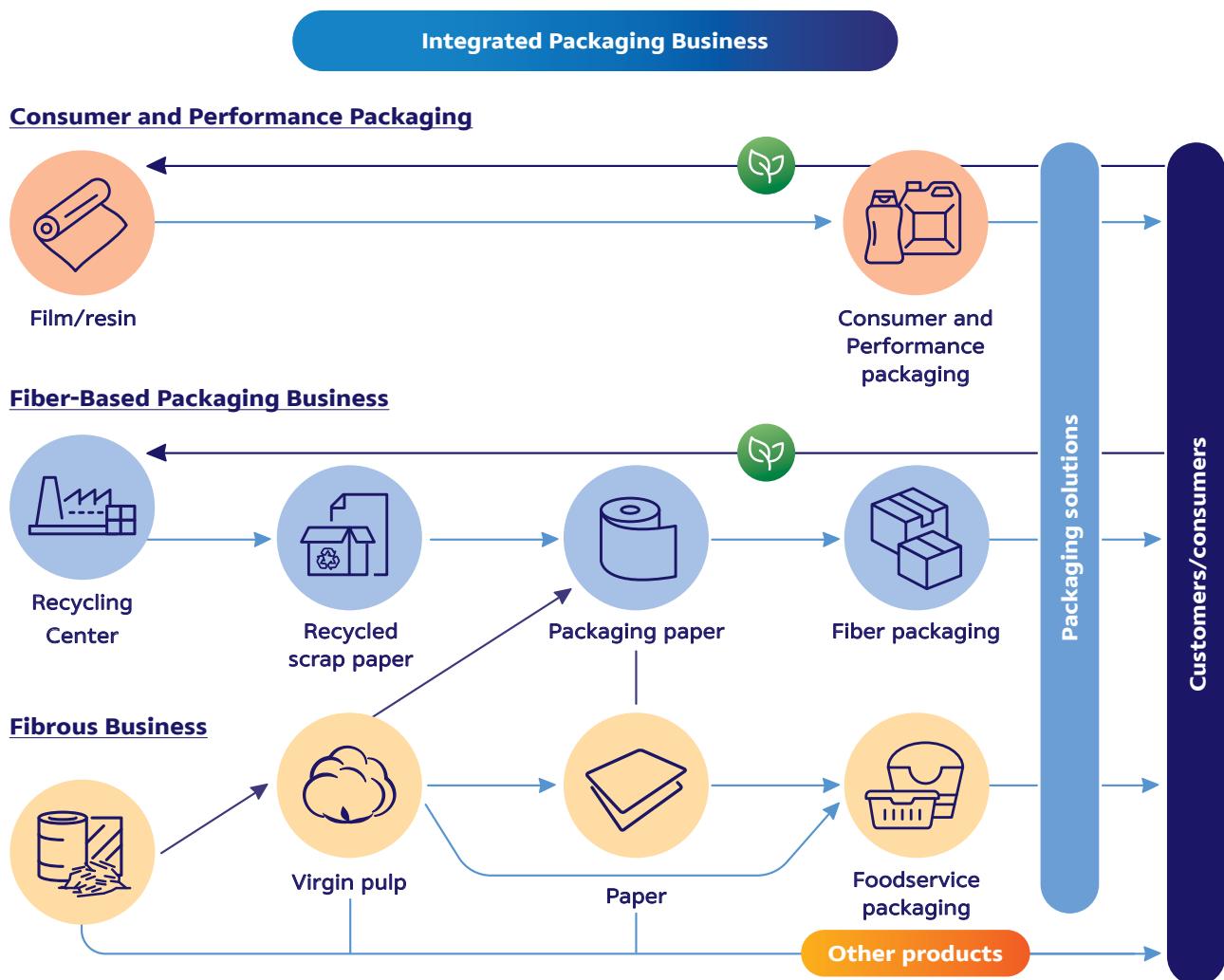
## Product Information

### Product Characteristics

SCGP believes that our leading market position in the paper packaging market stems from our long operating history in ASEAN, understanding of our customers' needs, and competitive cost management capability achieved through economies of scale and our vertically integrated fiber packaging supply chain. In addition, the Company relentlessly focuses on innovation, quality, and diversity of our product, the manufacturing process's efficiency, and the ability to expand to high-growth markets through selective and accretive merger and partnership. Moreover, the Company's integrated packaging solutions play an essential role in protecting, transporting, marketing, and enhancing the brand of our customers' products among consumers while enabling speedy and high-volume packaging productions across multiple geographies, especially in light of the growth in E-commerce in ASEAN. These all contribute to maintaining our market-leading position on a sustainable basis.

SCGP focuses on all operations across the packaging value chain. The Company manages raw materials, develops efficient production processes, manages product delivery time, and serves customers' various packaging needs from primary (for product packaging), secondary (display and branding), and tertiary (protection and logistics), which includes promotional and display packaging for marketing purposes, using a variety of substrates such as fiber-based or polymer-based materials. The Company also offers additional services, including design, printing, and other innovative solutions that its customers may need. The control SCGP has over its fiber packaging supply chain uniquely positions the Company to serve its customers better through its proprietary know-how and integration strategies.

The diagram below illustrates the simplified value chain of the Company's integrated production process:



## SCGP's products

consist of two main categories: products from Integrated Packaging Business and products from Fibrous Business.

### Integrated Packaging Business

#### Fiber Packaging

SCGP manufactures and sells a wide range of Fiber packaging and other paper supplies, including Packaging paper, comprising corrugated containers, retail display packaging, and packaging solutions. The Fiber Packaging business generates most of its revenues from corrugated containers. The Company's fiber packaging products can be divided into the following two main categories:

#### Corrugated Containers

The Company's corrugated containers are made of quality containerboard and have multiple usages. In addition to shipping and protecting products from damage, corrugated containers can present product details to communicate with end customers. They can be designed to prevent the counterfeits. Due to their ability to withstand external impact, they are increasingly used for packing consumer goods, consumer electronics, and transportation of goods in the E-commerce business.

The Company can scale up corrugated container production volume within short notice and accommodate volume surges, especially during sales promotion periods.

#### Display Packaging

The Company's retail display packaging includes packaging to help display products at the point of purchase, packaging that can be placed directly on the shelves in retail stores (shelf-ready), and seasonal promotional



packaging. These packaging products can serve as an extra layer of protection during shipping and as a marketing tool for branding and marketing campaigns. They can be placed directly on the retail shelves without unpacking the product, are easy to install, and help increase space utilization and product visibility. The Company can modify the packaging design to meet the needs of each customer.

#### Packaging Paper

The Company's packaging paper products can be divided into two main categories: packaging paper and non-packaging paper. Apart from the main packaging paper products, the Company has laminated rolls, ream cut paper, slit rolls, specialty paper such as high-pressure laminate (HPL), etc. Furthermore, SCGP emphasizes continuous product and service improvement. For this reason, we strive to develop product innovations. As a result, high-strength packaging paper, which is thinner but provides the same durability, is offered to meet customers' requirements in reducing production costs and encouraging less resource consumption.





### Consumer and Performance Packaging (CPP)

CPP products are used for goods that the Company's fiber packaging offerings may not appropriately address, as it requires unique properties such as direct food contact, packaging that can hold liquid content, or carrying a secure seal. CPP products can be divided into three main types: rigid packaging, flexible packaging, and medical supplies and labware. In 2021, revenue from the three categories was 64%, 23%, and 13%, respectively. The details of each CPP product are as follows:

#### Flexible Packaging

This packaging type can change its shape according to what it contains. Before packing, the product is flat, which saves space for storage and transportation. Some types of packaging can use paper as the base material. However, most packaging types use polymer film that is flexible, retractable, and durable. The Company offers a wide range of flexible packaging with an emphasis on quality, features, and safety. However, it does not manufacture basic packaging or single-use plastic packaging. So, flexible

packaging helps to reduce food waste and greenhouse gas emissions (carbon footprint) and extends product shelf life. The packaging is also lightweight for transportation, can support a high product weight, and takes up less space.

#### Rigid Packaging

Rigid packaging allows products to be clearly displayed on the shelf and makes the product easy to handle and carry. Its rigid structure makes this type of packaging easy to collect and recycle. Most rigid packaging is extruded or molded (by extrusion blow molding or injection) and uses high-density polyethylene (HDPE) or polypropylene (PP) as raw materials. The Company collaborates closely with customers to design packaging that has a suitable shape and form for use, such as bottles with resealable caps, squeeze tubes, and packaging with unique diffusers, e.g., spray nozzles, airless mist sprays, pumps, and roll-ons. The packaging can be used for containing body care products such as body lotions, shampoos, and cosmetics; household cleaning products, detergents; and food products such as syrups and jams, sauce, and ice cream, as well as supplementary food products, vitamins, and automotive products such as lubricants or gear oils.





### Medical Supplies and Labware

Medical supplies and labware for collecting or containing laboratory specimens and other supplies used in laboratory processes, such as sample storage for body fluid, liquid containers and tubes for vacuum systems, traceable blood collection tube sets for Hematology, microtubes and flexible plates for real-time PCR, various types of pipettes for liquid handling, swab test set, as well as, hygiene and safety industrial packaging.

### Packaging Solutions

SCGP has developed a wide range of products and services to cover customer needs throughout the supply chain. It has also offered extensive innovative solutions, promoting sustainable business operations. To support a full range of packaging services and address customers' unique needs. The diagram below shows how the Company can respond with products and services for each packaging requirement.





### Primary Packaging

This packaging is the innermost layer of packages and touches the product. It functions as storage, encapsulating products to prevent them from being damaged, extending their shelf life, and facilitating their use. This reduces the amount of waste and greenhouse gas emissions (Carbon Footprint). Consumer and Performance Packaging (CPP) products are considered primary packaging.

### Secondary Packaging

Secondary packaging is combined with primary packaging to prevent products from being damaged, increase the ease and efficiency of transportation and distribution, and add value to products. The packaging can also attract consumers' attention. With beautiful print quality and attractive packaging design, the packaging can also be a marketing tool for branding and promotions. Secondary packaging includes folding carton packaging for cookies, cosmetics, shoes, etc.

### Tertiary Packaging

Tertiary packaging includes strong corrugated containers that support the products' weight and protect them from being damaged during storage and handling. This allows end customers to receive complete products. This type of packaging also includes paper pallets and corner guards.



### Promotional and Display Packaging

This kind of packaging protects products and has functioned as a marketing tool that helps to communicate product information to consumers. It can be carefully designed and printed in an attractive shape and pattern. It is suitable for packaging products for special occasions, such as the Bird's Nest drink packaging for Mother's Day celebrations in Thailand or paper bags that add value to the product. In addition, the design team has created a shelf made of paper to answer customer marketing needs: the shelf is designed to be beautiful, quickly made, and easy to move. It is also environmentally friendly and is designed and produced according to the retail store's sales display area and product type. Also, it has a distinctive style that helps attract customers to make purchasing decisions.





### **Exhibition & Event**

SCGP has expanded its corrugated paper product offerings by developing exhibition booth designs and starting an installation service for events and product presentations mainly made of corrugated paper. This results in unique work that stands out at a low cost and meets customer needs. In addition, it follows the Circular Economy principles because it reduces waste and can be reproduced.

### **Fibrous Business**

#### **Foodservice Packaging**

SCGP offers safe foodservice packaging under the Fest® and Edenware brands. We are committed to developing products under the Fest® brand with our focus on researching of consumer needs, high-quality material selection, container structure design, and BRC (British Retail Consortium) certified manufacturing processes; to become at new choice for all consumers with a variety of shapes and capacities to meet every usage, while assuring consumer confidence in their cleanliness and safety. Currently, safe food containers under the Fest® brand can be divided into two main groups: Fest Choice and Fest Daily food-grade containers; and Fest Bio and Fest Chill natural pulp food containers.



Products under the Edenware brand consist of more than 250 types, such as dishes, cutlery, bowls, cups, etc., made from paper, polymer, and other compostable materials. These products are manufactured in-house from our food packaging capacity in Vietnam and sourced from our worldwide supplier network, with main markets in the United Kingdom and North America.

Moreover, the Company also had a foodservice packaging production base in Malaysia, where IPSB is responsible for manufacturing and distributing the products to well-known international and domestic restaurant chains.

IPSB has obtained the British Retail Consortium (BRC) Packaging Certification (AA Level) for food packaging. It also focuses on printed foodservice packaging for large multinational fast-food chains. For this reason, IPSB's customers include restaurants and fast-food chains as customers across Asia, Japan, Singapore, and Thailand. The Company plans to continuously expand its operations to other countries in ASEAN, Europe, Australia, and North America.

### Pulp and Paper Products

#### Paper

SCGP offers a wide range of printing and writing paper for publishers and printing houses and for home and office use. The Company's main printing and writing paper products are graphic paper and copy paper. In addition, the Company offers paper products for various industrial and specialized applications, including machine-glazed paper, glassine paper, paper for food packaging.

#### Pulp

Products in our pulp product line consist of paper pulp and dissolving pulp. Paper pulp is made of eucalyptus pulp and is separated into three types: eucalyptus bleached kraft pulp, eucalyptus unbleached kraft pulp, and eucalyptus semi-chemical bleached pulp.

Dissolving Pulp: Phoenix Pulp and Paper (PPPC) plant in Khon Kaen produces dissolving pulp from eucalyptus wood to be used in the textile industry (known as rayon



fiber). It is mainly sold to rayon fiber producers in China. The Company's R&D continues to research to improve the quality of dissolving pulp, starting from the cross-breeding stage for eucalyptus.

#### Plantation and Bio-based Solutions

SCGP offers a full solution provider of eucalyptus wood business. Our solutions start from eucalyptus clone and site matching research and development, planting of eucalyptus seedling promotion, plantation consultant and eucalyptus wood procurement. The company also expand own plantation as a sustainable wood source. Furthermore, SCGP expands its scope to new businesses, whether relating to wood chip export, biomass wood trading for clean energy generation, Ku Din organic/chemical fertilizer, soil conditioners, and growing media, wood conversion products such as wood pallet and laminated wood panels, as well as further development of high valued plants such as other herbs.

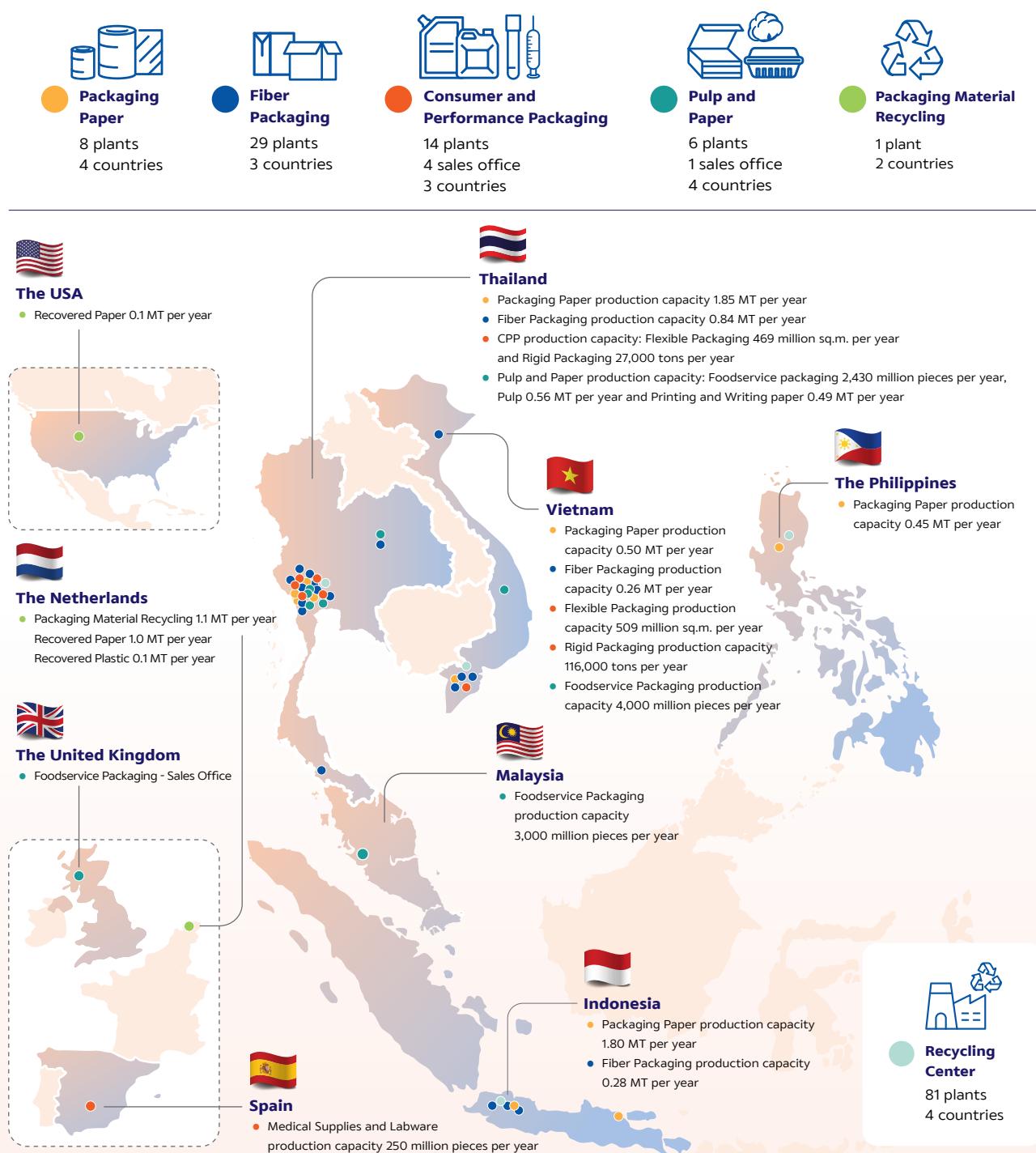


## Business Operations According to Geographical Area

In 2022, SCGP's business operations span across ASEAN and expand to a group of potential countries outside the region. The Company has 57 production facilities in 9 countries: Thailand, Vietnam, Indonesia, the Philippines, Malaysia, the United Kingdom, Spain, the Netherlands, and the USA. The Company's geographical presence strengthens our vertically integrated business model. It allows for more intra-group synergy among subsidiaries and increases our ability to access markets with growth potential in ASEAN, Europe, and North America.

The chart below shows the location of the Company's production facilities and sales offices as of December 31, 2022.

### Business Operations According to Geographical Area



The majority of our customers are in ASEAN. For the year ending December 31, 2022, revenue from sales from customers in Thailand accounted for 41% of revenue from sales, followed by Indonesia at 18%, Vietnam at 15%, and the Philippines at 3%, respectively. The Company's revenue from sales was Baht 146,068 million.

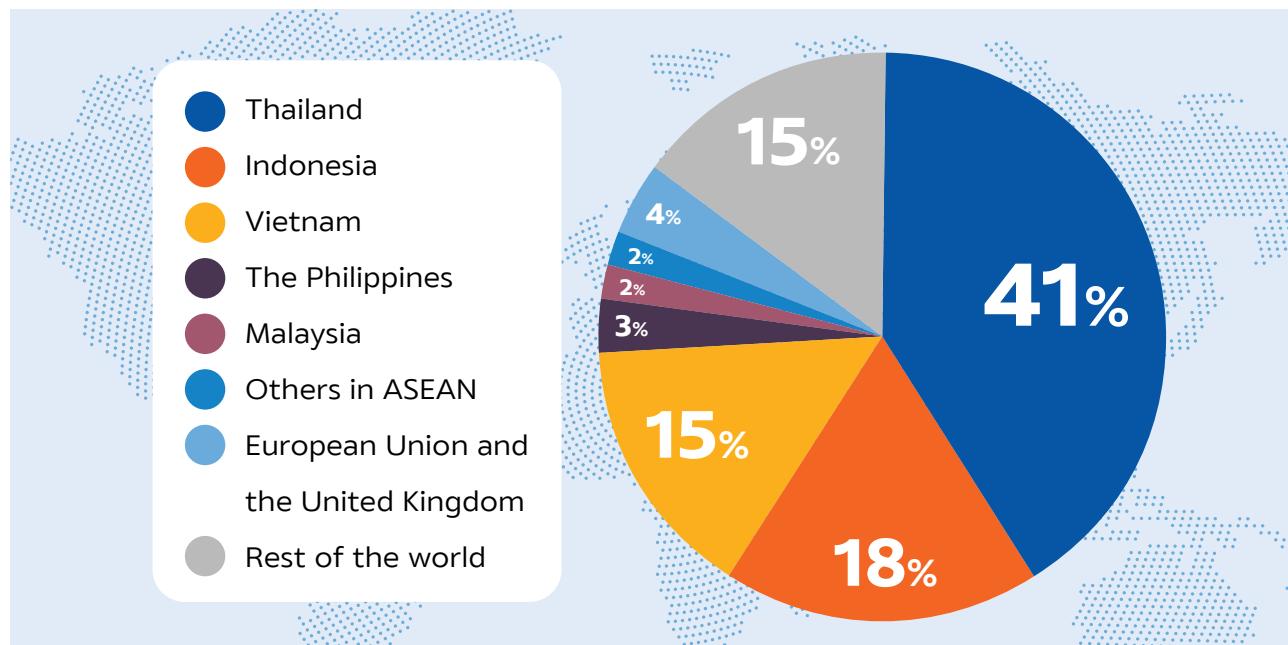
#### Integrated Packaging Business:

Revenue from sales from customers in Thailand accounted for 42% of revenue from sales, followed by Indonesia at 21%, Vietnam at 18%, and the Philippines at 4%, respectively.

#### Fibrous Business:

Revenue from sales accounted for approximately 42% of the revenue from customers located in Thailand, followed by the United Kingdom at 8%, Vietnam at 4%, and Malaysia at 3%, respectively

The diagram below shows the Company's revenue from sales for the year ending December 31, 2022, by end destinations



#### Thailand

SCGP started its business in Thailand in 1975. Currently, the Company has 21 recycling centers, 4 paper packaging facilities, 16 corrugated containers facilities, 6 consumer and performance packaging facilities, and 3 production facilities for Fibrous Business. This includes the SCGP Inspired Solutions Studio, the Company's integrated product design and development center in Thailand.

#### Vietnam

SCGP first entered the Vietnamese market by establishing VKPC, its joint venture with Rengo in 2007 to produce packaging paper. SCGP has 1 paper packaging facility, 6 corrugated containers facilities, 6 Consumer and Performance Packaging facilities, and 2 foodservice packaging facilities. Besides these facilities, the Company has 22 recycling centers.

#### Indonesia

SCGP first entered the Indonesian market through the acquisition of PTPM in 2013. Currently, the Company has 6 corrugated containers facilities, 1 corrugated containers printing facility, 2 packaging paper facilities, and 12 recycling centers facilities.

#### The Philippines

SCGP first entered the Philippines market in 1996 by acquiring UPPC, a packaging paper manufacturer. Currently, the Company has 1 paper packaging facility and 26 recycling centers.



### **Malaysia**

In 2018, SCGP acquired shares in IPSB, a leading company in food-grade packaging in Malaysia. Currently, the Company has one foodservice packaging facility located in Selangor, Malaysia, for manufacturing products in fast food chains.

### **The United Kingdom**

In 2021, SCGP acquired shares in Go- Pak, a leading foodservice packaging solutions provider in the United Kingdom and North America, with its headquarters in Bristol, the UK, and a manufacturing base in the South of Vietnam.

### **Spain**

In 2021, SCGP acquired shares in Deltalab, S.L. (Deltalab), a specialist in medical supplies and labware registered and based in Spain.

### **The Netherlands**

In July 2022, SCGP acquired shares in Peute Recycling B.V., the paper and plastic packaging recycling company in the Netherlands. Now, Peute can supply 1 million tons of recycled paper (RCP) and 0.1 million tons of recycled plastic. Its plant is situated in Dordrecht in the west of the Netherlands.

### **The USA**

In September 2022, SCGP acquired 90.1% of shares in Jordan Trading Inc. the recycled paper raw material supply and distributing company based in New York, the USA; resulting in SCGP being able to directly access American Old Corrugated Containers (AOCC)'s high-quality raw material resources.

# Industry Trends and Competitive Landscape

## 1) Industry Trends

### Integrated Packaging Business Industry Trend

In 2022, Thailand's demand for corrugated containers slightly slowed down compared to the previous year. This year, high energy and commodity prices led to higher production costs and living expenses, lowering public purchasing power and consumption. At the same time, the export sector tended to expand at a slower rate due to slower demand from trading partners, following the world's economic and trading situations, especially in the main export markets such as Europe and the USA, and China, where COVID-19 restrictions were strictly enforced. Exports of agricultural products and food, frozen foods, and instant foods were growing well, while that of cars and motorcycles, as well as electrical appliances and electronic parts, slowed down in the last half of the year because of supply disruption caused by shortages of semiconductors and other raw materials.

In the ASEAN market, demand for corrugated containers in Indonesia in 2022 fell 5.5% from last year as the domestic purchasing power decreased due to the higher inflation and slowdown of garment and automotive export to European and American countries in this region.

Meanwhile, corrugated containers' demand in Vietnam grew to 4% in 2022 because of an excellent recovering economic growth rate from last year, when there was a severe COVID-19 pandemic and the lockdown measure was in force by the government to limit the spread strictly. The action negatively affected the domestic consumption rate and production capacities, especially those of the export and transportation sectors in many industries. In 2022, the government eased its COVID-19 restriction measure, and domestic consumption was not much affected by inflation, plus the positive factor of the shifts in international companies' production bases to Vietnam, making the demand for corrugated packaging better, especially for the consumer product industry.

Similarly, the demand in the Philippines still maintained from 2021 due to the better COVID-19 situation, unlike in 2021, allowing domestic consumption to recover while there was adverse effects of limited growth of consumer purchasing power due to inflation, like in other countries.

Conflict situations between countries and economic slowdown in major trading partners are likely to continue for the time being, which could be both opportunities and challenges for SCGP.

### Industry Trends for Fibrous Business

#### Foodservice Packaging

The demand for foodservice packaging in 2022 grew better from 2021 in Asia, Europe, and America because of the ease of COVID-19 restrictions, leading to better situations for travel and restaurant businesses. At the same time, demand for environmentally friendly food containers continuously grew, especially in Europe and America, and substantial fast-food chains enforced policies to adopt eco containers. Furthermore, consumer behaviors changed during COVID-19, causing the growth of online food orders and takeaways. Nevertheless, in 2022, the foodservice packaging industry worldwide faced higher costs, especially in transportation, due to container shortages and higher energy costs.

#### Pulp

In 2022, the global demand for bleached chemical pulp increased by 0.6% from 2021. This demand was supported by the United States and Europe, which started to recover from the COVID-19 pandemic and led to an increased demand for pulp from paper and packaging manufacturers. Demand from tissue paper manufacturers also continued to grow.

Dissolving Pulp demand did not significantly change from the previous year: Chinese rayon fiber producers' needs were affected by the economic situation, which still was not fully recovered. Moreover, the container shortage also affected the pulp industry, resulting in a supply shortage and, consequently, higher prices. However, the supply shortage improved at the end of the year.

#### Printing and Writing Paper

In 2022, demand for printing and writing paper in Thailand dropped 4% compared to the previous year due to the domestic economic activities starting to recover after the COVID-19 restrictions were eased and the country reopened, giving life to printing businesses. However, since many business groups applied electronic media to consumers' changed lifestyles and ways of working, printing and writing paper usage still decreased. The amount of imported printing and writing paper in 2022 dropped 47% as its world price rose, consistent with raw material and energy costs.

## 2) Competitive Landscape

### Fiber Packaging and Packaging Paper

In the ASEAN region, SCGP is a leading integrated packaging solutions provider. Owing to its vertical integration in the value chain, SCGP enjoys significant cost advantage, including at the pulp production stage, the paper production stage, and the conversion of corrugated containers contributing to the competitiveness of the Company.

In terms of the production capacity of packaging paper, SCGP has a total capacity of 4.6 MT, helping it hold a significant market share in ASEAN and be the industry leader.

SCGP also has recycling centers in Thailand, Vietnam, the Philippines and Indonesia. The company expanded business to the international RCP market by acquiring Peute Recycling B.V. (Peute) in the Netherlands and Jordan Trading Inc. (Jordan) in the USA. Efficient RCP collection and management in these countries helps increase the cost advantage and supports the Company to stabilize its supply chain.

As a vertically integrated packaging company in ASEAN, SCGP has the distinct advantages of leveraging its supply chain network (with direct self-owned access to the raw materials such as wood, pulp, and RCP and the internal cost structure (in the form of competitive pricing between units) to continue its position as the leading integrated packaging solutions provider in ASEAN. SCGP is the only company with a presence in all four countries – Thailand, Indonesia, Vietnam, and the Philippines. In contrast, most other players are present in a single country only.

Owing to its unique position, SCGP can provide competitive prices for its paper production and weather the volatility of raw material and energy costs. The advanced manufacturing and processing technology also enable the Company to save costs via greater efficiency, leading to healthier margins, a larger pool of big brands, and a significant market share across ASEAN.

### Consumer and Performance Packaging (CPP)

In the ASEAN packaging market, SCGP has the advantage of being a packaging operator offering both paper and polymer packaging solutions. SCGP is the only local or regional level company (headquartered in the ASEAN region), while competitors are large multinational corporations with headquarters outside the ASEAN region.

The ASEAN market for CPP packaging, mostly made of polymer, is highly dispersed and relies on product pricing. There are many small and medium-sized enterprises

within the country, so the industry is highly competitive. The Company has the advantage of supplying polymer packaging products to major regional brands, and it can expand its market and market share based on internal and external growth factors.

Customer preferences for packaging designs and usage trends are constantly changing. Moreover, competition in the market is expected to rise. So, the demand for product and technology innovations to meet consumer needs will help raise competition between different operators in the industry.

In addition, SCGP has footprints in the medical supplies and labware segment by acquiring Deltalab with a market presence in Spain. This aligns with the growing consumer trend of healthcare and well-being consumers. The investment increases SCGP's capabilities in service offerings to the global stage, provides tremendous potential to leverage the production know-how to other related products, and serves as a crucial foundation for business expansion in medical and healthcare across Asia-Pacific.

## Sales and Distribution Channels

### Fiber Packaging

SCGP's production plants are located in different areas close to our customer's factories, and the proximity of factories to customers is one of our strengths. SCGP has strategies that can assist our customers and allow for: (1) fast and consistent procurement and delivery, (2) lower delivery cost and less time from factories to the place of delivery, and (3) easy communication and quick access to our services.

The Company's factories are generally located near our customers' factories (less than 100 km). For instance, the Company's packaging factory in Rayong, Thailand, provides packaging solutions for operations in the electronic appliance industry, as many operations in this industry are located in the vicinity of the Eastern Seaboard Project. The multi-location strategy gives us a competitive advantage, and the proximity of factories to customers allows us to provide services to assist them in their production process efficiently. For instance, the Company offers just-in-time delivery, inventory management services, and vendor-managed inventory (VMI).

Nowadays, most customers are Multinational Corporations (MNCs) with similar procurement systems using a central procurement system with a single procurement unit handling the procurement of all equipment and raw materials for all group companies in all regions. To efficiently respond to such

customers' needs, the Company established a dedicated team to handle MNCs. To respond to our customer's needs with the highest efficiency, the procurement team is responsible for contacting and cooperating with customers, identifying their needs, presenting packaging designs to customers, and providing integrated packaging services. The Company has factories across ASEAN: in Thailand, Vietnam, and Indonesia, which allows us to provide offers to MNCs located in different regions rapidly. The procurement team develops new customer relations leveraging the knowledge and experience it has gained from providing services to its customers in Thailand. It uses such knowledge and experience as a guideline for providing services of a good standard.

### Packaging Paper

SCGP sells packaging paper products to box plants in Thailand entirely through direct sales. Regarding exports, the Company sold 49% of exported packaging paper (based on sales volume) through direct sales and the other 51% through agents (based on sales volume). As packaging paper is a business-to-business (B2B) commodity, the marketing policy for packaging paper includes offering reliable quality, timely delivery, discounts, and rebates at specific volumes, special projects, or new customers.

### Consumer and Performance Packaging

The Company's main distribution channels for flexible packaging and rigid packaging products are direct sales in Thailand and Vietnam and export to the United States, Europe, Australia, Japan, and other ASEAN countries, accounting for 85% of CPP sales (based on sales volume). Sales through agents and traders accounted for 15% of CPP sales (based on sales volume). The distribution channels for the Company's medical supplies and labware products are direct sales and through agents to customers in Europe, South America, and Asia.

### Foodservice Packaging

SCGP sells Fest® foodservice packaging primarily in Thailand; 85% of sales of such products go to wholesale retailers, such as those who operate a cash-and-carry business model and wholesale and retail stores. Other products under the brand are sold directly via online and offline channels to restaurant networks in Thailand and overseas through agents.

For foodservice packaging manufactured and supplied by Go-Pak, the main selling channels are foodservice businesses, retailers, and wholesalers in the United Kingdom and North America. The Company wished to utilize Go-Pak's potential in expanding its customer bases in the food packaging markets, especially those in the foodservice businesses, retailers, and wholesalers in the businesses related to

restaurants, fast food restaurants, and food catering service providers. While for those manufactured by IPSB, the Company has ongoing solid relationships with and direct exposure to major restaurant and fast-food chains.

### Pulp and Paper Products

For paper business: (1) The Company sells graphic paper directly to printing houses (57% of sales, based on sales volume). Other than that are through agents. (2) The Company sells copy paper through retailers operating a cash-and-carry model and other retail and wholesale stores (93% of sales) and through direct sales via online and offline channels (7% of sales). Concerning pulp, the Company directly sells it to customers who are its affiliates and mostly domestic external parties. The sales of dissolving pulp through agents account for 90 % of the sales with China, the main market.

### Plantation and Bio-based Solutions

The Company's products are sold to domestic and international customers, with eucalyptus wood chips the main product sold directly to major customers in Japan and China. Domestically sold goods consist of eucalyptus seedling via its points of sale and agents. Eucalyptus lumber is sold directly to pulp and processed wood producers. Biomass wood chip is sold to biomass power plants and tools fertilizers and related products are sold via its nationwide authorized distributors and retailers in modern trade stores and the Doozy online channel.

### Targeted Customers

#### Fiber Packaging and Performance Packaging

SCGP has developed long-term relationships with many leading customers and brand owners in ASEAN and other regions. The Company has sold packaging solutions to over 7,000 customers, including Blue Chip companies, MNCs, and individual retailers in the ASEAN region. Our customers comprise a diversified mix of well-established global, regional, and leading local companies. Fiber packaging customers are mainly in the food & beverage, consumer products, frozen food, electronic appliances, canned food, and E-commerce industries. Performance packaging customers operate in the food, personal care, cosmetics, pharmaceutical, chemicals, and industrial products sectors. The majority of products are used for food and consumer product packaging.

The Company's major customers are MNCs, highly sophisticated companies with changing needs and requirements. These customers prefer collaborating with full-service packaging with global or regional scale

and capabilities so that they may reach their packaging objectives. As a result of integrated business models, the Company can more readily adapt to our customer's requirements, has more channels of distribution and more cross-selling opportunities.

The Company estimates that approximately 72% of SCGP's revenue from sales for the year ending December 31, 2022 (excluding export revenue) was generated by sales, directly or indirectly, to end-customers that operate in the consumer goods market (including principally in the FMCG, food & beverage and consumer electronics market segments).

### Packaging Paper

Most of our customers for packaging paper products and other types of paper are factories producing corrugated containers and factories producing gypsum board.

### Foodservice Packaging

Customers using Fest® foodservice packaging are generally individuals who purchase Fest® foodservice packaging from retail stores, SME retail, food and beverage providers that buy our product in bulk, and restaurants that purchase our products for deliveries and takeaways.

In 2022, the main Go-Pak's customer bases were in the United Kingdom, Europe, and North America, especially in the foodservice businesses, retailers, and wholesalers in the businesses related to restaurants, fast food restaurants, food catering service providers, and automated vending machines. With regard to IPSB, the customers were mainly well-known fast-food chains inside and outside Malaysia. IPSB also exports products to fast food chains in other countries, such as Japan, Singapore, and Thailand.

### Pulp and Paper Products

Customers of the Company's printing and writing paper are mostly printing houses in Thailand and agents. In contrast, most paper for industrial and other specialized works is directly sold to industrial processing plants. Concerning pulp products, SCGP's affiliated customers used 85% of its paper packaging sales volume. Other than those sold to external parties, mainly in the Hygienic Paper business. For the most part, dissolving pulp is exported to fiber manufacturers for rayon industries in China.

### Plantation Products and Bio-based Solutions

SCGP's customers are domestic and international; the latter are those producing pulp using wood chips. The former consist of eucalyptus farmers and affiliated or external biomass power plants using biomass wood chip as fuel. Major customers of fertilizer and business are major and minor farmers around the country.

## Product or Service Provisions

### Production Plants and Production Capacity

SCGP has 57 production facilities located in Thailand, Vietnam, Indonesia, the Philippines, Malaysia, Spain, the Netherlands, and the USA.

Products or services	Production capacity	
	Amount	Unit
1. Fiber Packaging	1,380,000	tons per year
2. Packaging Paper	4,600,000	tons per year
3. Flexible Packaging	978	million square meters per year
4. Rigid Packaging	143,000	tons per year
5. Foodservice Packaging	9,430	million pieces per year
6. Printing and Writing Paper	490,900	tons per year
7. Pulp	556,000	tons per year
8. Medical Supplies and Labware	250	million pieces per year
9. Packaging Materials Recycling	1,200,000	tons per year

## Raw Materials

SCGP sources raw materials from a diverse range of suppliers to ensure supply security and maintain a competitive cost position. Additionally, the Company partially sources fractions of some imported raw materials, such as RCP and coal, from SCG International. As SCG International provides raw materials to the SCC Group, it can source a steady supply of raw materials at a competitive price.

### Raw Materials Used in Fiber-based Products

The most important raw material for manufacturing fiber-based products is RCP (which is later converted into a recycled pulp and then containerboard), starch and virgin pulp.

#### Recovered Paper (RCP)

RCP is the main source of recycled pulp used in packaging paper production. RCP, which often comprises used corrugated containers, is collected, sorted, compressed into bales, and then transported to a paper manufacturing plant. In 2022, the Company recycled approximately 3.9 MT of RCP, which accounted for approximately 97% of the pulp needed in packaging paper production. 59% of the RCP intake was sourced from our 81 region-wide recycling centers (21 in Thailand, 22 in Vietnam, 12 in Indonesia, and 26 in the Philippines) and locally within ASEAN. At the same time, the rest of our RCP needs were addressed through imports from qualified sources in Europe, the United States, Japan, and Australia.

In addition, the Company also directly sources RCP from our business partners. For example, in Thailand, under our partnership with the hypermarket chain. The Company has been authorized to put our recycling center with baling machines at their distribution center, which generates considerable amounts of used corrugated containers. The Company also collects RCP from our own and third-party corrugated containers plant, generated during the trimming of corrugated containers. Additionally, the Company seeks to facilitate the collection of RCPs through the mobile application “SCGP Recycle,” developed by the Company. SCGP Recycle acts as a medium connecting the RCP recycling cycle by directly forwarding the RCP to the recycling facilities and facilitating its users in many ways. For example, RCP sellers may call collection trucks, generate reports and receive payments for their RC, convert the RCP values to other SCGP products such as Idea Green paper, or join CSR programs. It also cooperates with leading partner organizations in providing drop points to respond to consumers’ dedication to taking RCP back to its production process.

Although RCP is a globally traded commodity, the Company believes that having direct control of a significantly secured portion of RCP requirements is very important in our operations. Given the scale and years of experience running recycling centers, the Company has established strong local networks in various locations and long-standing relationships with our RCP supplier. This gives us quality RCP, reliable supply, and stable costs. This advantage minimizes the risks of global RCP price volatility and supply shocks, which can be caused by various external factors such as government regulations affecting waste paper import-export.

#### Starch

Starch is used to enhance the strength of packaging paper, which is procured mainly from local sources in each country where the Company operates. Starch is used to increase paper strength in three stages of production: the process of modeling to form a paper sheet, the process of making the pulp hold together, and the coating process that is coating the surface of the paper to increase the strength and smoothness of the paper and enhancing the quality of printing. Additionally, the starch powder is mixed with glue to increase the strength of the packaging paper. The Company uses approximately 200,000 tons of starch per year in the production process by acquiring cassava powders from domestic producers.

#### Virgin pulp

Virgin pulp is added to paper production to strengthen our packaging paper products. The virgin pulp used by the Company is made from wood chips sourced from our eucalyptus plantations, our network of third-party farmers, or importation from overseas markets. The imported pulp used in the production of paper and packaging that received FSC must be certified by the FSC™ (Forest Stewardship Council™).

### Raw Materials Used in the Production of Consumer and Performance Packaging

The most important raw materials for performance packaging are polymer resins and polymer-based films. The Company sources these raw materials from Thailand and neighboring countries such as Malaysia, Singapore, Vietnam, and Indonesia and elsewhere such as South Korea, Japan, China, Taiwan, Qatar, and the United States.

#### Polymer resin

The polymer resin is a key component of CPP products, constituting approximately 30 - 40% of the total variable costs used in CPP product production. The Company sources resins such as linear-low density polyethylene (LLDPE), low density polyethylene (LDPE), high density polyethylene (HDPE), polypropylene (PP), and polyethylene terephthalate (PET)



from various reputable regional and international suppliers. The Company purchases resins from different producers as the Company needs resins with other properties and characteristics. The Company also uses recycled resins upon customer request. Some of our rigid packaging customers request us to mix recycled resins to manufacture packaging products for them.

#### **Polymer-based film**

The polymer-based film constitutes 15 - 20% of the total variable costs that the Company uses in performance packaging. The Company produces some LLDPE film and sources the remaining polymer-based film from reputable regional and international suppliers.

#### **Raw Materials Used in the Fibrous Business**

The most important raw materials for manufacturing Fibrous Business products are wood chips (later converted into pulp), chemicals, starch, and water.

#### **Wood chips**

SCGP sources all the wood chips and wood log (which the Company later converts into wood chips itself) in Thailand. Sourcing wood chips begins with our own plantations and purchases from farmers in Thailand. SFT (Siam Forestry), the Company's subsidiary, is a full service provider of eucalyptus wood business that develops and produces eucalyptus trees in different areas throughout Thailand. SFT is the first wood plantation company in Thailand to support the paper manufacturing process with plantation areas certified by the Forest Stewardship Council™ (FSC™). It develops and produces seedlings in tissue culture and by cutting so that seedlings are a stable variety and their growth is consistent. Our seedlings are high-yield. The Company distributes eucalyptus seedlings to third-party farmers throughout Thailand (the farmer network), especially those near our plants and wood collection centers, and offers integrated services to third-party farmers. With support from the Research and Development Department, the Company maintains continuous development of the eucalyptus species, capable of growing in diverse climates and soil profiles. Typically, the Company sources wood

chips, approximately 40% of the total wood supply, from its plantations and contract farmer network throughout Thailand. It procures the rest from general farmers who have wood plantations all over Thailand.

#### **Research and Development Policy**

Research and development (R&D) is key to enabling SCGP to be a leading integrated packaging solutions provider in the ASEAN region. The Company is committed to delivering high-quality total packaging solutions to customers by offering various innovative packaging products, services, and solutions that enhance customers' brand image and entire supply chain operation. SCGP also complies with the principles of Circular Economy to sustainably operate its business in line with the ESG (Environmental, Social and Governance) aspects. To achieve business sustainability, the Company also equips itself with readiness in risk management, adapts to changes, and seeks competitive opportunity through business and social innovations.

Its research and development focus on developing new products, services, and improving quality and production steps, ensuring it can continuously offer high-quality packaging solutions, such as foodservice packaging, industrial packaging, and medical supplies; laboratory product quality testing to standards. It also develops health products to address and deliver customers' unique and specific needs in differentiating the products. Likewise, the Company offers sustainable business operations for alternative energy and the environment. In 2022, the Company invested in developing innovations, industry, and opportunities to create new businesses with technologies in the amount of Baht 522 million, equivalent to 0.4% of total revenues. Its R&D Department under the Innovation and Product Development Center spent Baht 312 million on the Innovation Platform. It can be separated into 11 categories to create products and services that match customers' demands.

1. Biotechnology
2. Nanotechnology
3. Fiber sciences and engineering
4. Paper-making technology
5. Corrugated and box manufacturing technology
6. Polymer science
7. Coating and surface modification technology
8. Health and life sciences
9. Measuring technology, development of testing methods, analysis of the structure and properties of materials, and other characteristics
10. Alternative energy technology
11. Green technology

## Assets Used in Business Operations

### Major Fixed Assets Used in Business Operations

As of December 31, 2022, the major fixed assets used in the Company's business operations and its subsidiaries outlined in the following table, consisted of land and land improvements, buildings and structures, machinery and equipment, furniture, fixtures and office equipment, vehicles and equipment, construction in progress, and bearer plant.

Item	Net book value (Baht Million)	Ownership type	Encumbrance
Land and land improvements	7,835	Ownership rights of possession (Nor Sor 3 Kor) and HGB Certificate <sup>(1)</sup>	No obligations
Buildings and structures	13,323	Owned	No obligations
Machinery and equipment	63,751	Owned	No obligations
Furniture, fixtures and office equipment	379	Owned	No obligations
Vehicles and equipment	354	Owned	No obligations
Construction in progress	4,893	Owned	No obligations
Bearer plant	38	Owned	No obligations
Right-of-use assets	4,012	Leased	No obligations
<b>Total</b>	<b>94,585</b>		

Note : <sup>(1)</sup> HGB Certificate (Right to Build) is a land title in Indonesia.

### Right-of-use Assets

As of December 31, 2022, the right-of-use assets of the Company and its subsidiaries had a net book value of Baht 4,012 million. Details are given in the table below.

Item	Ownership type	Net book value (Baht Million)
Land and land improvements	Leased	1,992
Buildings and structures	Leased	1,367
Machinery and equipment	Leased	118
Furniture, fixtures and office equipment	Leased	91
Vehicles and equipment	Leased	444

### Intangible Assets

As of December 31, 2022, the intangible assets of the Company and its subsidiaries consist of the following:

Item	Net book value (Baht Million)	
Goodwill	28,233	Goodwill from business acquisition
Customer contracts and relationship	6,428	Intangible assets related to customers, such as customer lists, and purchase orders
Trademark, copyright and patent	3,314	Trademarks, technology licensing, and products design patents
Software licenses and others	832	Installation cost and the right to use computer software
<b>Total</b>	<b>38,807</b>	

## Intellectual Property

### Trademarks

As of December 31, 2022, SCGP owns and is licensed to use 127 trademark applications that are registered with the Ministry of Commerce in Thailand, with 99 of such trademarks being fully registered (including trademarks that are in the process of renewal), and 121 trademark applications that are registered with foreign agencies, with 26 of such trademarks being fully registered. The Company has the policy to register and maintain brands in every country where the Company operates.

Important registered trademarks as of December 31, 2022, are as follows:

Applicant	Trademarks	Registration No.	Place of registration	Type of product/service	Application date	Patent expiry date	Note
SCGP	Idea	ก1292127	Thailand	Copy paper	24 Mar 08	23 Mar 28	Trademark license agreement signed between SCGP and TPC
SCGP		ก318169	Thailand	Printing or writing paper, copy paper, and kraft paper	1 Apr 08	31 Mar 28	Trademark license agreement signed between SCGP and TPC
SCGP	GREEN Idea	ก295409	Thailand	Copy paper	12 Jun 08	11 Jun 28	Trademark license agreement signed between SCGP and TPC
SCGP		ก313073	Thailand	Copy paper, printing or writing paper, kraft paper, note paper	25 Dec 08	24 Dec 28	Trademark license agreement signed between SCGP and TPC
SCGP	Idea	ก321242	Thailand	Copy paper, printing or writing paper	11 Sep 09	10 Sep 29	Trademark license agreement signed between SCGP and TPC
SCGP		201120686	Thailand	1) Odor and gas olfactometer, displaying quantitative and qualitative results 2) Processing and displaying program for odor and gas olfactometry data 3) Environmental testing and odor and gas olfactometry computer data processing and displaying service 4) Olfactometry consultation service for odor and gas odor in the industrial plant production processes 5) Olfactometry consultation service for burning odor 6) Olfactometry consultation service for wastewater treatment systems 7) Olfactometry consultation service for garbage dumps 8) Olfactometry consultation service for agriculture farming 9) Olfactometry consultation service for livestock farming 10) Olfactometry consultation service for community environments 11) Olfactometry consultation service for establishment environments 12) Olfactometry consultation service for industrial estate environments	4 Jan 19	3 Jan 29	

Applicant	Trademarks	Registration No.	Place of registration	Type of product/service	Application date	Patent expiry date	Note
TPC		ព័ល 322098	Thailand	Copy paper, printing, or writing paper	30 Jun 09	29 Jun 29	-
TPC		ព័ល 322099	Thailand	Copy paper, printing, or writing paper	30 Jun 09	29 Jun 29	-
TPC		171104369	Thailand	Utensil, and plastic utensil	21 Jul 15	20 Jul 25	-
TPC		171105010	Thailand	Paper food and beverage container, packing paper container, packing plastic container, packing container, paper cone, plastic cone, paper bag, plastic bag, food wrapping paper, sticker, and paper cup sleeve	21 Jul 15	20 Jul 25	-
TPC		171129078	Thailand	Drinking glass, beverage cup, food plate, food bowl, food container, cup lid, food tray, food glass, paper plate, paper bowl, paper cup, saucer, food cup	21 Jul 15	20 Jul 25	-
TPC		ព័ល 269016	Thailand	Laminated and non-laminated paper	10 Nov 06	9 Nov 26	-
TPC		201109337	Thailand	Laminating agent and laminated paper	3 Dec 18	2 Dec 28	-
IVN		181103782	Thailand	Non-medicinal fruit or healthy vegetable diet, non-medicinal fruit or vegetable dietary supplement, non-medicinal herbal dietary supplement, non-medicinal animal/plant dietary supplement, non-medicinal animal/vegetable extract dietary supplement, non-medicinal vegetable extract dietary supplement, and non-medicinal herbal extract dietary supplement	1 Jun 16	31 May 26	-
TCG		ព័ល 357302	Thailand	Corrugated containers	23 May 11	22 May 31	-
TCG		191111905	Thailand	1) Paper bubble wrap 2) Paper box 3) Packaging paper box 4) Corrugated containers 5) Office glue 6) Postage paper label	7) Self-adhesive paper label 8) Stationery paper and envelope set 9) Packaging paper envelope 10) Envelope 11) Postage envelope	12 Dec 17	11 Dec 27

Note : Some trademarks are also registered in foreign countries.

## Patents and Petty Patents

As of December 31, 2022, SCGP has been granted 73 patents and petty patents from the Ministry of Commerce in Thailand and 18 patents with foreign intellectual property offices, including 11 invention patents and 7 product design patents. Also, 158 patents and petty patents are in the registration process for both Thailand and abroad.

Important patents and petty patents owned by SCGP and its subsidiaries as of December 31, 2022, are as follows:

<b>Assignee</b>	<b>Patent No.</b>	<b>Date of Patent</b>	<b>Application date</b>	<b>Expiry Date</b>	<b>Place of registration</b>	<b>Invention patent/ petty patent</b>	<b>Product design patent</b>
SCGP	Petty Patent 11664	28 Jun 16	29 Oct 15	28 Oct 25	Thailand	Investigated method of macro sticky in paper pulp	-
SCGP	Petty Patent 12725	7 Jun 17	29 Oct 15	28 Oct 25	Thailand	Truck with multi-leveled carrying space	-
SCGP	Petty Patent 14843	21 Jan 19	29 Mar 17	28 Mar 27	Thailand	Soil covering material with a layered structure	-
SCGP	78568	16 Sep 20	11 Feb 09	10 Feb 29	Thailand	Folding chair blanks and chair assembled using folding said blanks	-
SCGP	87035	18 Mar 22	23 Apr 19	22 Apr 29	Thailand	-	Patterns on sheet material
SCGP	US11313082B1	26 Apr 22	19 Apr 17	18 Apr 37	USA	Sheet material comprising fiber and nano-microscale organic fibrillated filler and method of producing said sheet material	-
SCGP	IDP000083629	18 Oct 22	19 Apr 17	18 Apr 37	Indonesia	Sheet material comprising fiber and nano-microscale organic fibrillated filler and method of producing said sheet material	-
SCGP	CN110139959B	15 Nov 22	19 Apr 17	18 Apr 37	China	Sheet material comprising fiber and nano-microscale organic fibrillated filler and method of producing said sheet material	-
SCGP	90502	15 Dec 22	27 Dec 16	26 Dec 36	Thailand	Sheet material comprising fiber and nano-microscale organic fibrillated filler and method of producing said sheet material	-
SKIC	Petty Patent 10041	2 Jul 15	22 Aug 14	21 Aug 24	Thailand	Wireless hygrometer	-
SKIC	Petty Patent 12351	24 Jan 17	12 Dec 14	11 Dec 24	Thailand	Portable, scoring device	-
SKIC	19467	13 Jun 18	28 Mar 14	27 Mar 34	Vietnam	Sheets with organic filler	-
SKIC	Petty Patent 19736	19 May 22	30 Jul 21	29 Jul 31	Thailand	Double-threaded water ring	-
TCG	Petty Patent 11075	26 Jan 16	9 Mar 15	8 Mar 25	Thailand	Box with a creaser line and production thereof	-

<b>Assignee</b>	<b>Patent No.</b>	<b>Date of Patent</b>	<b>Application date</b>	<b>Expiry Date</b>	<b>Place of registration</b>	<b>Invention patent/ petty patent</b>	<b>Product design patent</b>
TCG	53597	1 Feb 18	3 Nov 14	2 Nov 24	Thailand	-	Display
TCG	58761	3 Nov 18	3 Nov 14	2 Nov 24	Thailand	-	Display
TCG	66067	6 Nov 18	29 Oct 15	28 Oct 25	Thailand	-	Folding chair
TCG	66068	6 Nov 18	29 Oct 15	28 Oct 25	Thailand	-	Folding chair blank
TCG	66433	19 Nov 18	7 Dec 07	6 Dec 27	Thailand	Chair	-
TCG	66472	21 Nov 18	4 Jun 13	3 Jun 23	Thailand	-	Container
TCG	66471	21 Nov 18	4 Jun 13	3 Jun 23	Thailand	-	Container blank
TCG	69428	23 Apr 19	3 Mar 17	2 Mar 27	Thailand	-	Container
TCG	69429	23 Apr 19	3 Mar 17	2 Mar 27	Thailand	-	Container blank
TCG	70253	11 Jun 19	8 Jun 17	7 Jun 27	Thailand	-	Container
TCG	70254	11 Jun 19	8 Jun 17	7 Jun 27	Thailand	-	Container blank
TCG	70255	11 Jun 19	8 Jun 17	7 Jun 27	Thailand	-	Container
TCG	70256	11 Jun 19	8 Jun 17	7 Jun 27	Thailand	-	Container blank
TCG	71053	08 Aug 19	7 Jul 17	6 Jul 27	Thailand	-	Container blank
TCG	71054	08 Aug 19	7 Jul 17	6 Jul 27	Thailand	-	Container blank
TCG	72812	25 Nov 19	7 Dec 17	6 Dec 27	Thailand	Assembly chair	-
TCG	Petty Patent 15813	10 Jan 20	21 Dec 18	20 Dec 28	Thailand	Ventilated packaging	-
TCG	80797	25 Jan 21	21 Dec 18	20 Dec 28	Thailand	-	Container
TCG	80798	25 Jan 21	21 Dec 18	20 Dec 28	Thailand	-	Container blank
TCG	80799	25 Jan 21	21 Dec 18	20 Dec 28	Thailand	-	Container blank
TCG	Petty Patent 18343	8 Oct 21	15 Sep 20	14 Sep 30	Thailand	Stackable corrugated tray	-
TCG	Petty Patent 19320	18 Feb 22	26 Mar 21	25 Mar 31	Thailand	Multi-packed packaging	-
TCG	87243	29 Mar 22	23 Jun 20	23 Jun 30	Thailand	-	Chair
TCG	87637	21 Apr 22	19 Oct 18	18 Oct 28	Thailand	-	Corrugated packaging and paper quality testing device
TPC	55526	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container
TPC	55527	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container blank
TPC	55528	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container blank
TPC	55529	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container blank
TPC	55530	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container blank
TPC	55531	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container blank
TPC	Petty Patent 12796	23 Jun 17	9 Sep 16	8 Sep 26	Thailand	Food container	-
TPC	58757	3 Nov 17	17 Dec 15	16 Dec 25	Thailand	-	Container

<b>Assignee</b>	<b>Patent No.</b>	<b>Date of Patent</b>	<b>Application date</b>	<b>Expiry Date</b>	<b>Place of registration</b>	<b>Invention patent/petty patent</b>	<b>Product design patent</b>
TPC	58759	3 Nov 17	17 Dec 15	16 Dec 25	Thailand	-	Container blank
TPC	58758	3 Nov 17	17 Dec 15	16 Dec 25	Thailand	-	Container
TPC	58760	3 Nov 17	17 Dec 15	16 Dec 25	Thailand	-	Container blank
TPC	61702	30 Mar 18	29 Sep 15	28 Sep 25	Thailand	-	Container
TPC	61703	30 Mar 18	24 Nov 15	23 Nov 25	Thailand		Container
TPC	61704	30 Mar 18	24 Nov 15	23 Nov 25	Thailand		Container blank
TPC	61705	30 Mar 18	24 Nov 15	23 Nov 25	Thailand		Container blank
TPC	Petty Patent 13983	15 Jun 18	1 Feb 16	31 Jan 26	Thailand	Packaging with separated containers	-
TPC	63510	5 Jul 18	31 Mar 16	30 Mar 26	Thailand	-	Container
TPC	66313	13 Nov 18	4 Aug 17	3 Aug 27	Thailand	-	Lid
TPC	66314	13 Nov 18	29 Sep 15	28 Sep 25	Thailand	-	Container blank
TPC	Petty Patent 15101	17 Apr 19	4 Aug 17	3 Aug 27	Thailand	Food container set	-
TPC	71076	9 Aug 19	27 Jul 17	26 Jul 27	Thailand	-	Container
TPC	71077	9 Aug 19	27 Jul 17	26 Jul 27	Thailand	-	Container blank
TPC	72458	8 Nov 19	30 Nov 17	29 Nov 27	Thailand	-	Container with belt
TPC	72459	8 Nov 19	30 Nov 17	29 Nov 27	Thailand	-	Container with belt
TPC	72457	8 Nov 19	30 Nov 17	29 Nov 27	Thailand	-	Container belt blank
TPC	73657	10 Jan 20	14 Dec 17	13 Dec 27	Thailand	-	Container
TPC	73658	10 Jan 20	14 Dec 17	13 Dec 27	Thailand	-	Container
TPC	73659	10 Jan 20	14 Dec 17	13 Dec 27	Thailand	-	Container
TPC	Petty Patent 17927	24 Jun 21	7 Dec 20	6 Dec 30	Thailand	Paper spoon	-
TPC	Petty Patent 17928	24 Jun 21	7 Dec 20	6 Dec 30	Thailand	Paper spoon	-
TPC	83266	25 Jun 21	4 Aug 17	3 Aug 27	Thailand	-	Container
TPC	Petty Patent 18748	25 Nov 21	28 Dec 20	27 Dec 30	Thailand	Food container	-
TPC	87034	18 Mar 22	22 Oct 19	21 Oct 29	Thailand	-	Container
TPC	D1729243	27 Oct 22	15 Jun 22	14 Jun 32	Japan	-	The plates for containing foods
Vexcel Pack	AU349045	6 Jun 13	7 Jan 13	6 Jan 23	Australia	-	Screw cap for a jar
Vexcel Pack	CN302813835s	7 May 14	5 Jul 13	4 Jul 23	China	-	Screw cap for a jar
Vexcel Pack	3-2013-000811	14 May 14	5 Jul 13	4 Jul 23	The Philippines	-	Screw cap for a jar

<b>Assignee</b>	<b>Patent No.</b>	<b>Date of Patent</b>	<b>Application date</b>	<b>Expiry Date</b>	<b>Place of registration</b>	<b>Invention patent/ petty patent</b>	<b>Product design patent</b>
Vexcel Pack	USD723370s	3 Mar 15	5 Jul 13	2 Mar 29	The USA	-	Screw cap for a jar
Deltalab	ES2686829B1	30 Jul 19	22 Mar 17	22 Mar 37	Spain	Container comprising a security seal	-
Nirco	US9381514B2	5 Jul 16	2 Jul 13	1 Jul 33	The USA	Test tube	-
Nirco	EP2870998B1	11 Dec 19	2 Jul 13	1 Jul 33	Ireland	Test tube	-
Nirco	ES2776176T3	13 May 15	2 Jul 13	1 Jul 33	Spain	Test tube	-
Nirco	ES2442491B1	13 Nov 14	4 Jul 12	3 Jul 32	Spain	Test tube	-
Nirco	001303630- 0001	1 Dec 11	24 Nov 11	24 Nov 26	European Union	-	Sample processors
Nirco	001303630- 0002	1 Dec 11	24 Nov 11	24 Nov 26	European Union	-	Sample processors
SCGP and SCG Cement- Building Materials Co., Ltd.	Petty Patent 15003	12 Mar 19	29 Mar 17	28 Mar 27	Thailand	Binder with lime mud	-
SCGP and Asoke Skin Hospital Co., Ltd.	Petty Patent 16465	9 Jul 20	26 Jul 19	25 Jul 29	Thailand	Wound closure device	-
TPC and Nawa Intertech Co., Ltd.	Petty Patent 16520	22 Jul 20	16 Sep 19	15 Sep 29	Thailand	Folding apparatus for paper container forming machine	-
TPC and Nawa Intertech Co., Ltd.	Petty Patent 16521	22 Jul 20	16 Sep 19	15 Sep 29	Thailand	Paper container forming machine	-
SCGP and SCG Chemicals PCL.	EP3448561B1	2 Jun 21	1 Oct 18	1 Oct 38	Germany	Catalyst, its preparation, and use in the conversion of oxygen-containing compounds	-
SCGP and SCG Chemicals PCL.	EP3448561B1	2 Jun 21	1 Oct 18	1 Oct 38	The Netherlands	Catalyst, its preparation and use in the conversion of oxygen-containing compounds	-
SCGP and Asoke Skin Hospital Co., Ltd.	85634	3 Dec 21	26 Jul 19	25 Jul 29	Thailand	-	Wound closure device
SCGP and Asoke Skin Hospital Co., Ltd.	85634	3 Dec 21	26 Jul 19	25 Jul 29	Thailand	-	Wound closure device

In Thailand, invention patents are under protection for 20 years, and those of petty patent and product design patent for 10 years from the date that the application was filed to the Department of Intellectual Property. The assignee must pay an annual fee from the fifth year of the patent protection term and every year afterward. The patent will stay active if the assignee pays such a yearly fee within 6 months from the payment due date. After the protection term is over, the law does not allow any renewal of either invention or design patents.

### **Business and Property Insurance Used in Business Operations**

SCGP has an insurance policy that protects assets appropriately and aligns with industry practices. The Company has the policy to renew insurance policies upon the expiration of such insurance.

### **Investment Promotion Benefits**

As of December 31, 2022, SCGP has been entitled to incentives from 2 investment promotion certificates from Thailand's Board of Investment.

## **Shareholders**

### **Company Shareholders**

The company's shareholding structure as of December 31, 2022, is shown in the table below.

<b>Shareholders</b>	<b>Number of shares (registered and paid-up capital)</b>	<b>Shareholding (%)</b>
1. The Siam Cement Public Company Limited	3,095,882,660	72.12
2. Thai NVDR Company Limited	175,921,437	4.10
3. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	73,007,503	1.70
4. Ladawan Capital Company Limited	64,498,900	1.50
5. Social Security Office	55,526,770	1.29
6. THE BANK OF NEW YORK MELLON	38,903,615	0.91
7. Mr. Narat Jiwalai	29,979,600	0.70
8. STATE STREET EUROPE LIMITED	24,549,423	0.57
9. Mrs. Luksunee Hathaivittavas	16,000,000	0.37
10. Vayupak Fund 1 by MFC Asset Management Public Company Limited	15,481,829	0.36
10. Vayupak Fund 1 by Krung Thai Asset Management Public Company Limited	15,481,829	0.36

**Note :** The total shares held by other minor shareholders are 687,686,634, equivalent to 16.02%. The 10<sup>th</sup> shareholder consists of two shareholders holding the same number of shares.

### Shareholders of Subsidiaries Operating the Main Business

#### (1) Thai Containers Group Co., Ltd. (TCG)

Shareholder	Number of shares (shares)	Shareholding (%)
1. SCGP	23,407,999	70.0
2. Rengo Co., Ltd. (RENGO)	10,032,000	30.0
3. Mrs. Pattarawan Tunsakul	1	0.0
<b>Total</b>	<b>33,440,000</b>	<b>100.0</b>

#### (2) TC Flexible Packaging Co., Ltd. (TCFP)

Shareholder	Number of shares (shares)	Shareholding (%)
1. Thai Containers Group Co., Ltd. (TCG)	15,809,395	75.0
2. Rengo Co., Ltd. (Rengo)	4,215,839	20.0
3. Howa Sangyo Co., Ltd.	1,053,960	5.0
<b>Total</b>	<b>21,079,194</b>	<b>100.0</b>

#### (3) Phoenix Pulp & Paper Company Limited (PPPC)

Shareholder	Number of shares (shares)	Shareholding (%)
1. SCGP	171,363,184 <sup>(1)</sup>	69.6
2. Nippon Paper Industries Co., Ltd. (NPI)	73,884,303 <sup>(2)</sup>	30.0
3. Other minor shareholders	1,033,673	0.4
<b>Total</b>	<b>246,281,160</b>	<b>100.0</b>

Notes : <sup>(1)</sup>This includes 6,857,036 preferred shares, representing 2.8% of PPPC's total shares. Preferred shares have the same voting rights in PPPC as ordinary shares.

<sup>(2)</sup>This includes 2,941,914 preferred shares, representing 1.2% of PPPC's total shares. Preferred shares have the same voting rights in PPPC as ordinary shares.

#### (4) Siam Kraft Industry Co., Ltd. (SKIC)

Shareholder	Number of shares (shares)	Shareholding (%)
1. SCGP	34,499,998	100.0
2. Mrs. Pattarawan Tunsakul	1	0.0
3. Ms. Prapanrat Tangwiriyapaiboon	1	0.0
<b>Total</b>	<b>34,500,000</b>	<b>100.0</b>

#### (5) PT Fajar Surya Wisesa Tbk. (Fajar)

Shareholder	Number of shares (shares)	Shareholding (%)
1. SCGP Solutions (Singapore) Pte. Ltd. (SCGPSS)	1,368,663,916	55.2
2. PT Intercepta Sempana (PTICS)	1,102,069,224	44.5
3. Other minor shareholders	7,155,647	0.3
<b>Total</b>	<b>2,477,888,787</b>	<b>100.0</b>

### **Shareholders' agreements in matters affecting the issuance and offering of securities or the Company's management**

- None -

### **Persons presenting a potential conflict of interest if they hold shares in subsidiaries or associated companies – adding up to more than 10% of the votes in that company**

- None -

### **Relationships with Major Shareholders**

The Siam Cement Public Company Limited (SCC) is the Company's major shareholder, with a shareholding of 72.12 % of the Company's issued and paid-up capital. SCC has three main businesses: cement and building materials, chemicals, and packaging. A group of companies operates these businesses. The group enters into transactions with ordinary commercial agreements with SCC to sell certain products to SCC, such as industrial bags for cement products, corrugated containers for transport, display advertising, and raw materials from the SCC group petrochemicals and recycled waste paper.

### **Authorized Capital and Paid-up Capital**

As of December 31, 2022, the Company's registered capital is Baht 4,500,000,000 and the paid-up capital is Baht 4,292,920,200. There are 4,292,920,200 ordinary shares at a par value of Baht 1 per share.

The dividend payment must not exceed the profit stated on the separate financial statements, according to the guidelines of the Department of Business Development.

<b>Consolidated Financial Statements</b>	<b>Year 2022</b>	<b>Year 2021</b>	<b>Year 2020</b>
Earnings per share (Baht)	1.35	1.93	1.95 <sup>(1)</sup>
Dividends per share (Baht)	0.60	0.65	0.45
Dividends payout ratio (%)	44.4	33.6	29.9

Note : <sup>(1)</sup> The number of ordinary shares used in calculation of earnings per share in 2020 is weighted average over the period of the change in the number of shares due to the stock issuance for IPO.

### **Dividend Policy for Subsidiaries**

The dividend policy for subsidiaries must be considered and approved by the Board of Directors every year. The exception is for interim dividend payments, which the subsidiary's Board of Directors can authorize from time to time if the Board believes that the subsidiary has sufficient profits to do so under the country's legal framework in which the subsidiary is located. In addition, the subsidiary's Board of Directors must report the decision at the next Shareholders' Meeting of the subsidiary. When considering the dividend payment, the subsidiary's Board of Directors needs to consider various factors, mainly for the shareholders' benefit. These factors include operating results, financial structure and financial position, liquidity, additional investment needs, investment plans, business expansion, provision for repayment of borrowings or working capital within subsidiaries, the conditions and limitations stipulated in any loan agreement, and other factors involved in the management of the subsidiary, determined by the Board of Directors and/or the shareholders of the subsidiary company, as appropriate.

### **Issuance of Other Securities**

In 2022, SCGP issued and offered the debenture to the individual investors (Public Offering) twice on August 1 and December 1, 2022, with a total offering value of Baht 10,000 million under the Medium-Term Note (MTN) program for a two-year term in the amount of not exceeding Baht 40,000 million at any time (on a revolving basis), as approved in the Company's Extraordinary General Meeting of Shareholders, No. 2/2019 on November 25, 2019, for the purpose of loan repayment, support the Company's investment, and be used as its working capital.

### **SCGP's Dividend Policy**

SCGP will consider paying dividends in line with legal requirements under the Public Limited Companies Act, B.E. 2535 (1992), and its amendments. It states that a public limited company can pay dividends if no accumulated loss is shown on its separate financial statements.

SCGP has a policy of paying dividends of at least 20% of the net profit according to the consolidated financial statements – after corporate income tax and various reserve deductions. This is clarified by the law and SCGP each year. The dividend payment rate may change from the specified rate, as it depends on the performance structure, financial position, liquidity, additional investment needs, investment plans, business expansion, reserve for loan repayment or working capital, conditions, and limitations as stipulated in the loan agreement and other factors related to administration and management.

## Investments in Subsidiaries and Associates

As at December 31, 2022, the Company has investments in 17 subsidiaries and associates directly held by the Company, with the total investment of Baht 48,567 million, recorded by the cost method. Details of the investments are presented in the notes of SCGP's financial statements for the year 2022 under contents of "Investments in associates" and "Investments in subsidiaries".

The following table details investments in subsidiaries and associates of direct and indirect holding companies:

Name	Principal Business/ Products	Head Office	Telephone	Faximile	Type of Shares	Issued and Paid-up Capital (Million Baht)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company	Total Direct/ Indirect Holding* (Percent)
Subsidiaries									
<b>Fiber-Based Packaging</b>									
1 Thai Containers Group Co., Ltd.	Fiber Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 5991	0 2586 4723	Ordinary Shares	3,344	33,440,000	23,407,999	70.00
2 Thai Containers Khonkaen Co., Ltd.	Fiber Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	150	150,000	-	70.00
3 Thai Containers Rayong Co., Ltd.	Fiber Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	650	650,000	-	70.00
4 Tawana Container Co., Ltd.	Fiber Packaging	599 Mu 4, Phatthana 1 Road, Phraksa Sub-district, Mueang Samutprakan District, Samutprakan Province	0 2324 0079	0 2324 0079	Ordinary Shares	300	3,000,000	-	50.40
5 Orient Containers Co., Ltd.	Fiber Packaging	2/5, 12/8 Mu 8, Soi Liab Khlong Chonprathan Suan Som, Rama II Road, Ban Kho Sub-district, Mueang Samutakorn District, Samutakorn Province	0 3488 3422-4	0 3488 3421	Ordinary Shares	260	26,000,000	-	70.00
6 Dyna Packs Co., Ltd.	Fiber Packaging	29/7 Mu 2, Soi Wironrat, Sethakit 1 Road, Om Noi Sub-district, Krathum Baen District, Samutakorn Province	0 2810 9346-7	0 2810 9103	Ordinary Shares	90	900,000	-	70.00
7 D-In Pack Co., Ltd.	Fiber Packaging	38/2 Mu 6 Phra Prathon-Ban Phaeo Road, Talad Jinda Sub-district, Sam Phran District, Nakhon Pathom Province	0 3498 1401-4	0 3498 1406-7	Ordinary Shares	50	5,000	-	70.00
8 New Asia Industries Co., Ltd.	Fiber Packaging	Lot B3, Road 2, Binh Chieu Industrial Park, Binh Chieu Ward, Thu Duc District, Ho Chi Minh City, Vietnam	(84) 83729 4160	(84) 83729 3028	**	345	-	-	70.00
9 Alcamax Packaging (Vietnam) Co., Ltd.	Fiber Packaging	No.7, Street 6, Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	(84) 0650 3741 3031	(84) 0650 378 2816	**	607	-	-	70.00
10 Packamex (Vietnam) Co., Ltd.	Fiber Packaging	Lot No.20, Road B, Lin Trung EPZ, Thu Duc District, Ho Chi Minh City, Vietnam	(84) 83 729 1030	(84) 83 729 1031	**	220	-	-	70.00
11 AP Packaging (Hanoi) Co., Ltd.	Fiber Packaging	Lot 6 Nam Sach Industrial Zone, Nam Sach District, Hai Duong Province, Vietnam	(84) 0320 375 3862	(84) 0320 375 2868	**	248	-	-	70.00
12 PT Indocor Mandiri	Fiber Packaging	Jl. Rayu Serang KM 138, Tristate Industrial Estate, Desa Sukadamai, Kecamatan Cikupa, Kabupaten Tangerang, Provinsi Banten, Indonesia	(62) 21 596 2345	(62) 21 596 2000	Ordinary Shares	294	101,000	-	67.90
13 PT Indocor Printingdo	Fiber Packaging	Jl. Rayu Serang KM 188, Sukarnegara Village, Rt.003/Rw.01, Cikupa District, Tangerang Regency, Banten Province, Indonesia	(62) 21 596 0772-3	(62) 21 596 0774	Ordinary Shares	55	20,000	-	69.96
14 PT Indocor Packaging Cikarang	Fiber Packaging	Jl. Industri Selatan 2 Block LL-3, Jababeka Industrial Estate Cikarang, Pasirari Village, South Cikarang Sub-District, Bekasi Regency, Indonesia	(62) 21 893 6565	(62) 21 893 6565	Ordinary Shares	308	503,167	-	69.99

Name	Principal Business/ Products	Head Office	Telephone	Faxsimile	Type of Shares	Issued and Paid-up Capital (Million Baht)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company	Total Direct/ Indirect Holding* (Percent)
15 SCGP Solutions Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	170	1,700,000	1,699,998	100.00
16 Precision Print Co., Ltd.	Fiber Packaging	30/139 Mu 1, Sinsakthon Industrial Estate, Khok Kham Sub-district, Muang Samutsakorn District, Samutsakorn Province	0 2105 4477	0 3445 2339	Ordinary Shares	33	3,340,000	-	100.00
17 TCG Solutions Pte. Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	4,047	175,354,811	-	70.00
18 Bien Hoa Packaging Joint Stock Company	Fiber Packaging	Street 7, Bien Hoa Industrial Zone 1, An Binh, Ward Bien Hoa, Dong Nai Province, Vietnam	(84) 251 3836 121	(84) 251 3832 939	Ordinary Shares	165	12,832,437	-	65.88
19 PT Indonesia Ditrajaya Aneka Industri Box	Fiber Packaging	Jl. Raya Roomo No. 425, Roomo Village, Manyar District, Gresik Regency, East Java, Indonesia	(62) 31 395 1910	(62) 31 395 1906	Ordinary Shares	207	8,950,000	-	52.50
20 PT Bahana Buana Box	Fiber Packaging	Jl. Raya Semarang-Demak, Desa Batu, RT 01 RW 03, Karangtengah Sub-district, Demak Regency, Indonesia	(62) 29 168 6234	(62) 29 169 0243	Ordinary Shares	71	3,050,000	-	52.50
21 PT Rapipack Asritama	Fiber Packaging	Kawasan Bekasi International Industrial Estate (BII) Block C-10 No 3, Cibatu, Cikarang Selatan, Bekasi, Jawa Barat, Indonesia	(62) 21 897 3115	(62) 21 897 3116	Ordinary Shares	150	6,500,000	-	52.50
<b>Packaging Paper</b>									
22 Siam Kraft Industry Co., Ltd.	Packaging Paper	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3,450	34,500,000	34,499,998	100.00
23 Vina Kraft Paper Co., Ltd.	Packaging Paper	D-6A-CN, My Phuoc Industrial Park No.3, Ben Cat District, Binh Duong Province, Vietnam	(84) 8268 0240-2	(84) 8268 0239	**	8,126	-	-	70.00
24 Thai Cane Paper Public Company Limited	Packaging Paper	222 Mu 1, Saeng Xuto Road, Wangkanai Sub-district, Tha Muang District, Kanchanaburi Province	0 3461 5800	0 3461 5899	Ordinary Shares	3,583	358,253,721	351,791,210	98.20
25 United Pulp and Paper Co., Inc.	Packaging Paper	9 <sup>th</sup> Floor, FortLegend Tower, 3rd Avenue corner 31 <sup>st</sup> Street, Bonifacio Global City, Taguig City, Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	1,462	199,824,043	109,995,290	74.77
26 SCGP Solutions (Singapore) Pte. Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	4,105	1,107,746,820	648,244,594	-
27 PT Fajar Surya Wisesa Tbk	Packaging Paper	Jl. Abdul Muis 30 Jakarta Pusat 10160, Indonesia	(62) 21 344 1316	(62) 21 345 7643	Ordinary Shares	2,713	2,417,888,787	-	55.24
28 PT Dayasa Aria Prima	Packaging Paper	Jl. Abdul Muis 30 Jakarta Pusat 10160, Indonesia	(62) 21 344 1316	(62) 21 345 7643	Ordinary Shares	4,574	2,012,159,500	-	55.24
29 SCG Paper Energy Co., Ltd.	Energy and Utilities	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	890	8,900,000	8,899,998	100.00
<b>Consumer and Performance Packaging</b>									
30 SCGP-T Plastics Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	386	3,859,000	1,968,124	51.00
31 Conimex Co., Ltd.	Rigid Packaging	40 Mu 12, Soi Sahamit 2, Sukhumvit 77 Road, Srisajorakheni Sub-district, Bang Sao Thong District, Samutprakan Province	0 2738 0305	0 2326 6275	Ordinary Shares	420	4,200,000	-	38.25
32 SCGP Rigid Plastics Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	4,403	62,400,000	62,399,998	100.00

Name	Principal Business/ Products	Head Office	Telephone	Faximile	Type of Shares	Issued and Paid-up Capital (Million Baht)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company	Total Direct/ Indirect Holding* (Percent)
33 Vexcel Pack Co., Ltd. [Formerly “Visy Packaging (Thailand) Limited”]	Rigid Packaging	500/54 Moo 3 Hemaij Eastern Seaboard Industrial Estate (Freezone), Pluak Daeng District, Rayong Province	0 3895 8200	0 3895 0078	Ordinary Shares	497	4,972,000	-	100.00
34 TC Flexible Packaging Co., Ltd.	Holding Company	1 Siam Cement Road, Bangue, Bangkok	0 2586 5991	0 2586 4723	Ordinary Shares	2,108	21,079,194	-	52.50
35 Prepack Thailand Co., Ltd.	Flexible Packaging	30/145 Mu 1, Khok Kham Sub-district, Mueang Samutsakorn District, Samutsakorn Province	0 3444 0600-5	0 3444 0606-7	Ordinary Shares Preference Shares	322 90	3,220,000 900,000	-	52.38
36 Tin Thanh Packing Joint Stock Company	Flexible Packaging	Lot C20, Duc Hoa Ha Plastic Industrial Group, Binh Tien Hamlet, Duc Hoa Ha Commune, Duc Hoa District, Long An Province, Vietnam	(84) 723 779 747	(84) 723 779 750	Ordinary Shares	254	17,204,201	-	52.49
37 SCGP Rigid Packaging Solutions Pre, Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	8,900	361,202,920	361,202,920	100.00
38 Duy Tan Plastics Manufacturing Corporation Joint Stock Company	Rigid Packaging	298 HoHoc Lam, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	Ordinary Shares	2,433	170,000,000	-	70.00
39 Duy Tan Long An Co., Ltd.	Rigid Packaging	A18 Tan Do Hai Son Street, Tan Do Industrial Zone, Duc Hoa Ha Ward, Duc Hoa District, Long An, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	1,073	-	-	70.00
40 Duy Tan Precision Mold Co., Ltd.	Rigid Packaging	Lot 1, 1A street, Tan Tao Industrial Zone, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	186	-	-	70.00
41 Duy Tan Binh Duong Plastics Co., Ltd.	Rigid Packaging	602 Tan Dai Nghia, Quarter 4, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	118	-	-	70.00
42 Mata Plastic Co., Ltd.	Rigid Packaging	602 Tan Dai Nghia, Quarter 4, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	14	-	-	70.00
43 International Healthcare Packaging Co., Ltd.	Holding Company	1 Siam Cement Road, Bangue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3,361	33,610,000	33,609,998	100.00
44 Deltalab Global, S.L.	Holding Company	Plaza Verneda, numero 1,Polígono Industrial Ia Llana, 08191, Rubí, Barcelona, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	200	5,281,554	-	85.00
45 Deltalab, S.L.	Medical Supplies and Labware	Plaza Verneda, número 1, Polígono Industrial Ia Llana, 08191, Rubí, Barcelona, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	141	3,721,848	-	85.00
46 Keylab, S.L.U.	Medical Supplies and Labware	Plaza Verneda, número 1, Polígono Industrial Ia Llana, 08191, Rubí, Barcelona, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	2	53,940	-	85.00
47 Nirco, S.L.	Medical Supplies and Labware	Calle Puerto de Navarra, no. 12, 28935 Móstoles, Madrid, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	40	175,246	-	85.00
48 Envases Farmaceuticos, S.A.	Medical Supplies and Labware	Polygono Industrial Igarsa, no. 17-20, 28860 Paracuellos del Jarama, Madrid, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	2	10,000	-	85.00
49 Equilabo Scientific, S.L.U.	Medical Supplies and Labware	Calle Neptuno, no. 59-Polígono Industrial Los Vientos, 30565 Las Torres de Cotillas, Murcia, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	1	300	-	85.00
50 Sanilabo, S.L.U.	Medical Supplies and Labware	Calle San Roque 30, bajo B, 46910 Benetussar, Valencia, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	0,2	6,010	-	85.00

Name	Principal Business/ Products	Head Office	Telephone	Faxsimile	Type of Shares	Issued and Paid-up Capital (Million Baht)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company	Total Direct/ Indirect Holding* (Percent)
<b>Pulp and Paper Products</b>									
51 Phoenix Pulp & Paper Public Company Limited	Foodservice Packaging / Pulp and Paper Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares Preference Shares	2,365 98	236,474,780 9,806,380	164,506,148 6,857,036	69.58
52 Thai Paper Co., Ltd.	Foodservice Packaging / Pulp and Paper Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	7,770	77,700,000	-	69.58
53 Go-Pak UK Limited	Foodservice Packaging	Drumco House 1 Hawkesworth Road, Yate, Bristol, United Kingdom	(44) 1454 285400	(44) 1454 285401	Ordinary Shares	318	7,800,200	-	100.00
54 Go-Pak Vietnam Limited	Foodservice Packaging	Lot CN6, H2 Street, Kim Huy Industrial Park Phu Tan Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	(84) 274 3815 148	(84) 274 3815 150	**	14	-	-	100.00
55 Go-Pak Paper Products Vietnam Co., Ltd.	Foodservice Packaging	Factory No. 3, Lot CN9, H1 Street, Kim Huy Industrial Zone, Phu Tan Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	(84) 0274 3866 368	-	**	11	-	-	100.00
56 Phoenix Utilities Co., Ltd.	Utilities	99 Mu 3, Gud Nam Sai Sub-district, Nam Phong District, Khon Kaen Province	0 4343 31046	0 4343 3101	Ordinary Shares	1,500	15,000,000	-	69.58
57 Interpress Printers Sendirian Berhad	Foodservice Packaging	No. 1 Jalan Taylor's, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia	(603) 5542-1716	(603) 5542-1703	Ordinary Shares Preference Shares	384 225	47,478,796 28,000,000	-	68.30
58 The Siam Forestry Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	184	1,840,000	-	69.58
59 Siam Panawes Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3	25,000	-	69.58
60 Suampa Rungsa's Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
61 Parus Nimit Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
62 Thai Panboon Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3	30,000	-	69.58
63 Thai Panaram Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
64 Thai Pandorn Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
65 Thai Panason Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
66 Thai Wanabhum Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3	25,000	-	69.58
<b>Packaging Materials Recycling</b>									
67 Peute Recycling B.V.	Holding Company	Baanhoekweg 4, 3313LA Dordrecht, Netherlands	(31) 78 621 44 88	-	Ordinary Shares	1	182	-	100.00
68 Peute Papierrecycling B.V.	Packaging Materials Recycling	Baanhoekweg 4, 3313LA Dordrecht, Netherlands	(31) 78 621 44 88	-	Ordinary Shares	1	40	-	100.00
69 Peute Recycling International B.V.	Holding Company	Baanhoekweg 4, 3313LA Dordrecht, Netherlands	(31) 78 621 44 88	-	Ordinary Shares	1	18,000	-	100.00
70 Peute Plasticrecycling B.V.	Packaging Materials Recycling	Baanhoekweg 4, 3313LA Dordrecht, Netherlands	(31) 78 621 44 88	-	Ordinary Shares	1	18,000	-	100.00
71 Peute Portugal, Unipessoal Lda	Packaging Materials Recycling	Beloura Office Park, Edificio 7, 1, 2710-444 Sintra, Portugal	(31) 78 621 44 88	-	Ordinary Shares	2	1	-	100.00
72 Peute Recycling Spain S.L..	Packaging Materials Recycling	Calle San Juan 29, 1 C, Arroyo de la Miel, 29630, Malaga, Spain	(34) 952 567 009	-	Ordinary Shares	0.1	3,000	-	100.00
73 Peute UK Limited	Packaging Materials Recycling	Hill House, 1 Little New Street, London EC4A 3TR, United Kingdom	(31) 78 621 44 88	-	Ordinary Shares	1	25,000	-	100.00
74 SKC International Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	0.1	1,000	998	100.00
75 Jordan Trading Inc.	Packaging Materials Recycling	65 Albany avenue, Kingston, New York, USA	845-338-5379	-	Ordinary Shares	18	123	-	90.10

Name	Principal Business/ Products	Head Office	Telephone	Faxsimile	Type of Shares	Issued and Paid-up Capital (Million Baht)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company	Total Direct/ Indirect Holding* (Percent)
<b>Others</b>									
76 SCGP Excellence Training Center Co., Ltd.	Training and seminar	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3876	0 2586 4507	Ordinary Shares	49	1,150,000	1,149,998	100.00
77 Invenique Co., Ltd.	Asset and Intellectual Property Management Service	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	207	2,067,000	2,066,998	100.00
78 United Industrial Energy Corporation	Holding Company	166 Salcedo St Legaspi Village, Makati City, Metro Manila, Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	0.2	-	-	74.77
<b>Associates</b>									
79 Siam Toppan Packaging Co., Ltd.	Fiber Packaging	543 Mu 4, Phraksa Sub-district, Mueang Samutprakan District, Samutprakan Province	0 2709 3110-7	0 2324 0336	Ordinary Shares	500	5,000,000	2,450,000	49.00
80 P&S Holdings Corporation	Holding Company	9 <sup>th</sup> Floor, Fort Legend Tower, 3 <sup>rd</sup> Avenue corner 31 <sup>st</sup> Street, Bonifacio Global City, Taguig City, Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	263	27,650,000	11,059,998	40.00
81 Siam Nippon Industrial Paper Co., Ltd.	Specialty Paper	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	1,100	11,000,000	-	31.31
82 Sahagreen Forest Co., Ltd.	Energy And Utilities	88 Mu 6, Khui Ban Ong Sub-district, Phran Kratai District, Kamphaeng Phet Province	0 5585 8033	0 5585 8031	Ordinary Shares	190	19,000,000	-	17.40
83 ReUse SAS	Packaging Materials Recycling	10 Place du 8 mai 1945, 26600 Tain-l'Hermitage, France	(33) 4 75 09 51 81	(33) 4 75 71 27 13	Ordinary Shares	4	10,000	-	45.00
84 Packworks Co., Ltd	Foodservice Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2114 3638	-	Ordinary Shares	2	18,370	-	28.48

\*Directly and indirectly holding through the company and subsidiaries

\*\*No issuance of share for the limited liability Company incorporated in Vietnam. The capital contribution is as stipulated in the Holding Company certificate of the invested company.

# Risk Management



# Risk Management

In 2022, clear signs of improvement of the COVID-19 situation have emerged, leading to the continuous recovery of global and ASEAN economies. However, the international conflict in Europe has resulted in higher and volatile energy prices.. In addition, China has implemented a strict zero COVID-19 policy that negatively affected the manufacturing and trading activities in the region.



Given the challenges, SCGP recognizes and places importance on risk management. SCGP is conducting business in accordance with the guidelines and goals of sustainable development in terms of Environmental, Social and Governance (ESG) to drive the organizational growth and ensure stability of business expansion. Stable financial positions and suitable returns to shareholders must also be safeguarded. In this regard, the Board of Directors has established the risk management policy to ensure that there is in place, an efficient and effective Enterprise Risk Management System across the Company that is in accordance with good international practices. The Risk Management Committee is responsible for formulating the structure and delegating responsibilities in managing risks, approving risk management strategy, risk management framework and risk management process, including strategic, operational and investment strategies, reviewing risk appetite statements and SCGP risk profiles, monitoring risk management throughout the organization, reporting risks and risk management to the Audit Committee on a quarterly basis. The Risk Management Committee also has a duty to promote risk management knowledge transfer to employees on a regular basis, so that employees can apply the risk management framework to their works.

## Risk Management Policy

SCGP established risk management processes that conform to international standards and integrates the processes into our business operations. This allows the Company to identify risks and opportunities appropriately in a timely manner, mitigate risks to acceptable levels as well as explore opportunities that can add value to the business to achieve the organizational objectives, meet the stakeholders' expectations, support sustainable business practices and follow the principles of good corporate governance. The Company's risk management policy can be found on 56-1 One Report of 2022 and the Company's website ([www.SCGPackaging.com](http://www.SCGPackaging.com)).

## Risk Management Framework

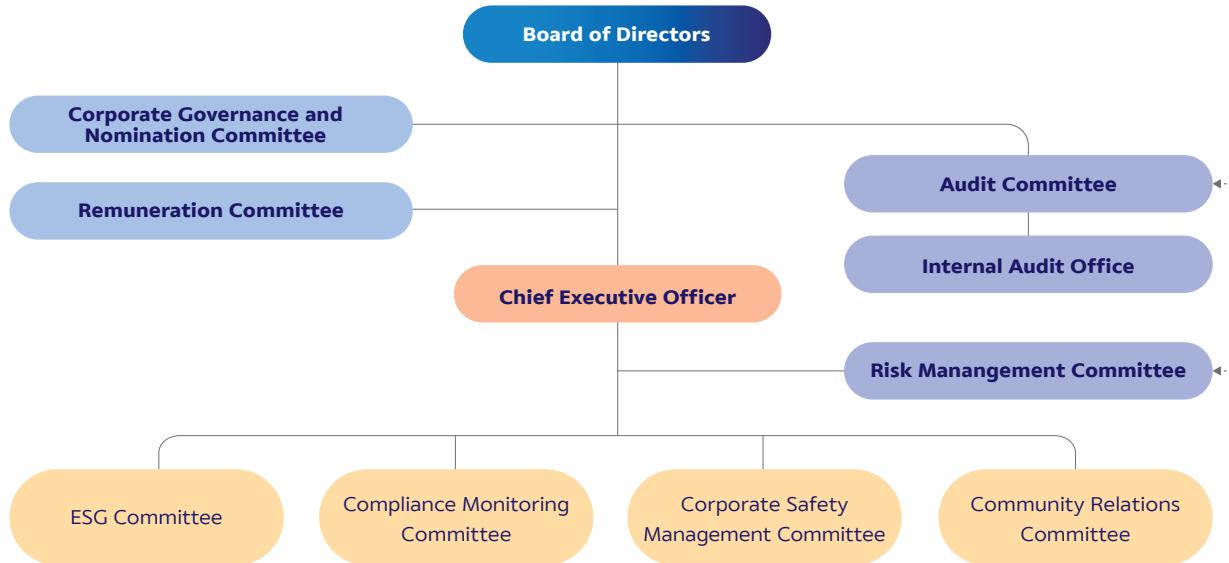
SCGP implements an Enterprise Risk Management Framework in consistent with the COSO and ISO 31000 to effectively reduce the likelihood and/or the impact of risks that may arise. The Company's risk management framework encompass the areas below.

### 1. Strategy and Objective Setting

In order to ensure that risk management is moving in the same direction throughout the firm, SCGP explicitly outlines objectives and risk appetite. They consider the immediate risks and intermediate risks which encompass strategic risks that may have a significant impact on the business, investment risks and specific risks such as information technology risks.

## 2. Risk Management Governance and Structure

SCGP has established a risk management structure, as depicted in the diagram below.



### 2.1 Corporate-level Risk Management

#### Roles and Responsibilities of the Board of Directors and the Audit Committee

The Audit Committee, on behalf of the Board of Directors, establishes risk management policies and oversees the risk management process and practice of the Company. The Audit Committee also evaluates the risk management system to ensure efficiency, effectiveness, and compliance with established guidelines.

#### Roles and Responsibilities of the Internal Audit Office

The Company's Internal Audit Office is responsible for conducting an audit of the first line (operating units) and the second line (management level, risk management, compliance and other supporting functions) to ensure effective implementations of appropriate risk management. The Internal Audit Office also reports the outcomes to the Audit Committee, provides consultation and communicates the Audit Committee's opinions to the first line and functions that are being audited for improvement.

#### Roles and Responsibilities of the SCGP Risk Management Committee

SCGP Risk Management Committee consists of the Chief Executive Officer who serves as the Committee Chairman, the Chief Operational Officer of each business unit, the Chief Financial Officer and the Chief Regional Officer. The Risk Management Committee has the following core responsibilities:

- Establish the risk management structure and identify responsible persons.
- Consider and approve risk management strategy, Risk Management Framework and risk management process.
- Review risk appetite statement, risk profile and monitor the performance of risk management throughout the organization.
- Report risks and risk management performance to the Audit Committee.

### 2.2 Business-level risk management and operational-level risk management

#### Roles and Responsibilities of risk champion in each business group and corporate function and risk coordinators in operational units/companies

Risk Champion and Risk Coordinators are responsible for implementing the business-level risk management policies, risk management processes, and risk management frameworks at the business and operational levels, and implementing risk management procedures. Furthermore, they monitor the performance of risk management by utilizing enterprise dashboards and the Performance Management System (PMS) to ensure that they can achieve the goals and objectives of the business units.

### 3. Risk Management Process

SCGP integrates the risk management framework into critical operations encompassed Strategic Risks, Operational Risks and Investment Risks. The risk management process can be found in the Risk Management Manual which comprise of 4 steps:

- (1) Identify business risks/opportunities consist of Existing risks and Emerging Risks.
- (2) Assess the severity of risks by using Risk Map to measure the likelihood and impact and prioritize risks to be managed.
- (3) Establish risk responses, Key Risk Indicators and Key Performance Indicators – both leading and lagging – to anticipate and mitigate risks in accordance with the risk management goals.
- (4) Report the performance of risk mitigation to the Risk Management Committee prior to the Audit Committee on a quarterly basis by considering Immediate Risks, Intermediate Risks, Strategic Risks such as IT Risks.

### 4. Risk Management Culture within the organization

SCGP realizes that a corporate culture is an essential enabler for the success of risk management. As a result, the organizational culture of risk management has been encouraged through the following activities:

- Assigning top executives to communicate the significance of risk management and be role models in risk management. This includes establishing practical guidelines on common risk language, risk appetite, and common risk assessment systems.

- Assigning role and responsibilities of risk owners
- Embedding risk management agenda in key meetings of each subsidiary.
- Encouraging experience sharing across departments and subsidiaries to continually communicate the benefits of risk management.
- Assigning Risk Champions and Risk Coordinators to attend risk management training and workshop regularly, so that risk management tools can be applied appropriately.
- Incorporating risk management into the new hire training course and develop an e-Learning course for all employees to access and go through the risk management.

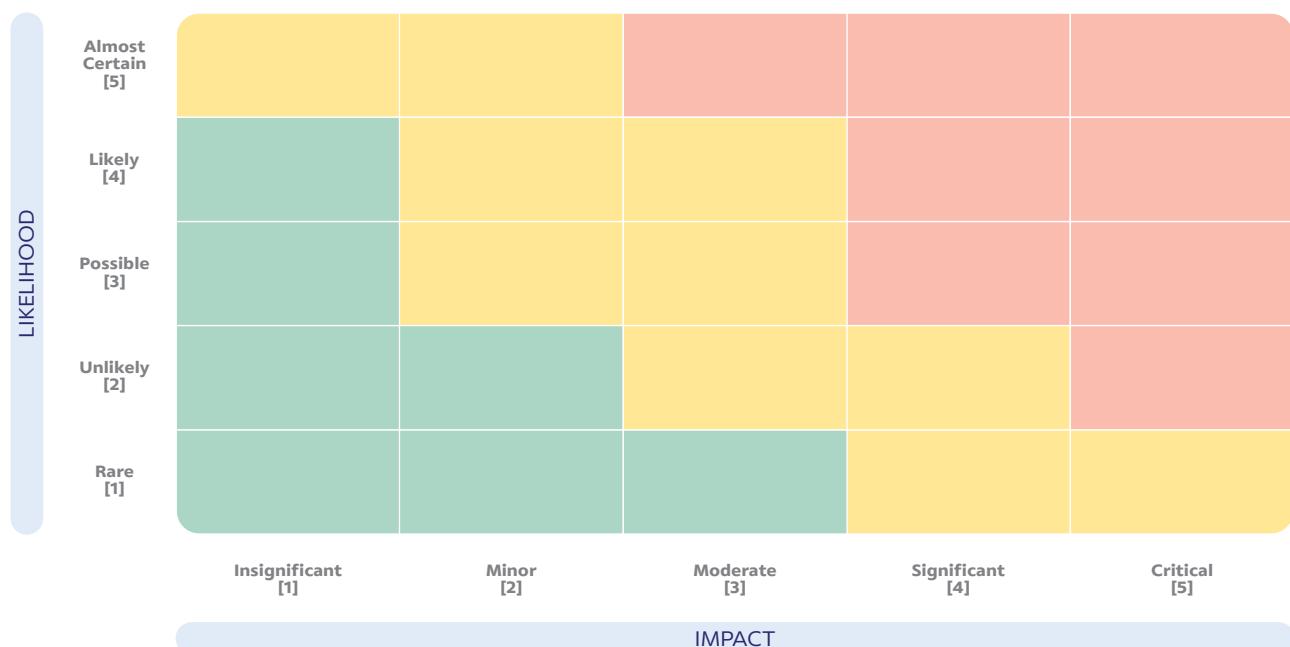
### Risk Factors and Risk Management

SCGP has assessed the severity of significant risks and implemented risk mitigations focusing on Strategic Risks and Operational Risks that may exert a critical influence on the Company performance. The SCGP risk universe encompass the following areas: Environmental and Social Risk, Governance and Compliance Risk, Reputation and Intellectual Property Risk, Hazard Risk, Input Risk, Process Risk, Financial Risk and Business Risk. In addition, SCGP assessed and monitored the risks that are specific to the ongoing circumstances, such as Emerging Risks and potential risks of investors.

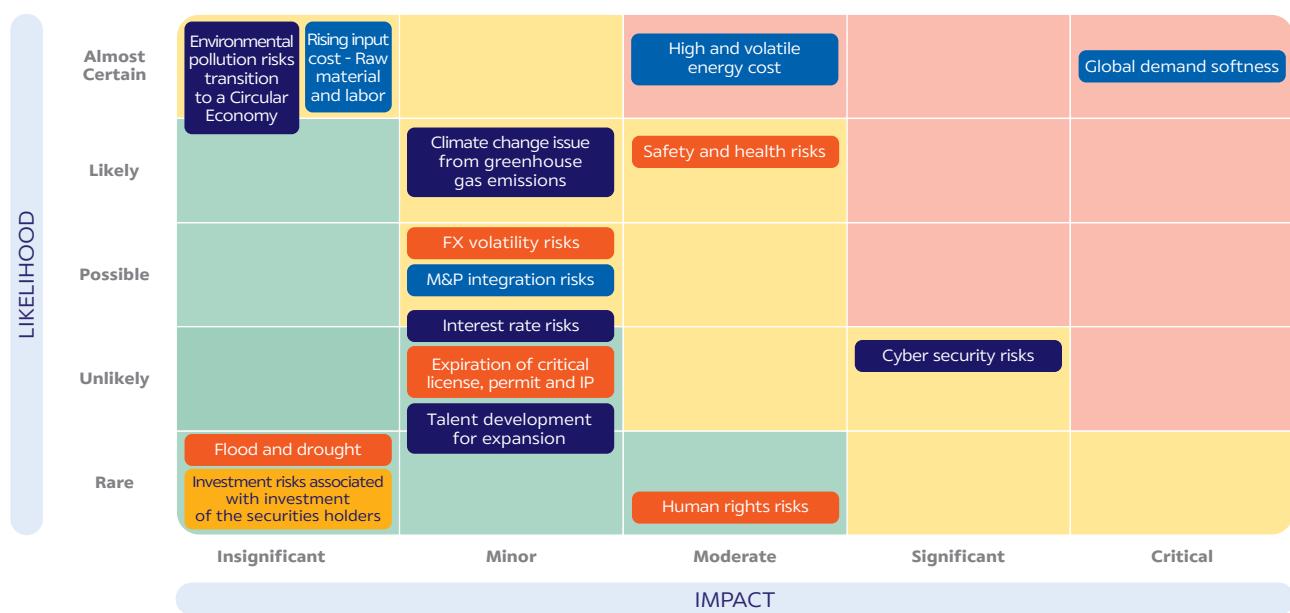


The risk assessment process measures likelihood and impact of each risk, then prioritizes them which can be determined into three risk levels: high level, medium level, and low level.

### The diagram of the Company's risk levels



### The diagram of the Company's risk level assessment



#### 1. Strategic Risks

- a. Global demand softness
- b. High and volatile energy cost
- c. M&P Integration risks
- d. Rising input cost - Raw material and labor



#### 2. Operational Risks

- a. Safety and health risks
- b. Human rights risks
- c. FX volatility risk
- d. Expiration of critical license, permit and IP
- e. Flood and drought



#### 3. Emerging Risks

- a. Cyber security risks
- b. Climate change issue from greenhouse gas emissions
- c. Interest rate risks
- d. Talent development for expansion
- e. Environmental pollution risks transition to a Circular Economy



#### 4. Investment Risks Associated with Investment of the Securities Holders

## 1. Strategic Risks

Global demand softness		
Risk events	Mitigations	
<p>The global inflation rate and elevated policy interest rates have an impact on the world economy and consumer spending. As a result, the demand for packaging products and services has softened. In addition, the slow recovery of the Chinese economy will lessen the demand of packaging products and services in the region.</p>    <p><b>Environmental</b>   <b>Social</b>   <b>Governance</b></p>	<ul style="list-style-type: none"> <li>Planned to enter new potential markets with growing demand for packaging products and services such as South Asia and the Middle East.</li> <li>Launched new products to increase the customer base and expand to new sales channels.</li> <li>Increased internal material transfer between business units consist of the fiber and paper packaging business and packaging paper business.</li> <li>Analyzed the demand of target industries. Provided products and services in the form of packaging solutions regarding the design and packaging productions that help customers reducing resource consumption as well as managing costs appropriately.</li> <li>Planned and managed inventories which consists of raw materials, work in process and finished goods in order to maintain the appropriate level. This is to ensure that the quantities of manufactured products will be matched with customer demand and costs efficiency.</li> </ul>	

High and volatile energy cost		
Risk events	Mitigations	
<p>SCGP production process consumes large quantities of energy. The Company's main energy costs include coal and biomass – used for coal-fired power plants that transmit electricity and steam for SCGP's production processes. In 2022, The conflict in Europe has led to energy price volatility including oil, coal and natural gas. It is projected that the energy prices will likely be volatile and impact production costs.</p>    <p><b>Environmental</b>   <b>Social</b>   <b>Governance</b></p>	<ul style="list-style-type: none"> <li>Established The Coal Collaborative Committee to procure coal through a central agency and pooled sourcing so that the costs will be managed appropriately.</li> <li>Increased usage of alternative energy such as biomass energy from wood and woodchips to reduce the proportion of coal consumption.</li> <li>Managed energy costs by adjusting the proportion with increased in-house production of electricity and reduced purchase of electricity from external sources.</li> <li>Installed solar rooftops at SCGP's production facilities to increase the proportion of renewable energy and reduce dependence on fuel energy.</li> </ul>	

M&P integration risks		
Risk events	Mitigations	
<p>SCGP aspires to achieve sustainable growth through mergers and partnerships, both domestically and overseas, that are consistent with the Company's direction. The success of this strategy depends on the Company's ability to selectively identify target businesses, execute and integrate with the business that the Company has acquired. Various risks are involved, including risks in assessing value, strengths and weaknesses of potential acquisitions, in verifying information prior to the acquisition, and in integrating and managing newly acquired businesses, which include risks associated with integrating SCGP's personnel with the personnel of acquired businesses that could arise from the differences in culture and language perspectives, or political and regulatory risks in some countries. These risks could result in the Company's inability to fully achieve benefits within the expected time frame.</p>  <p>Social      Governance</p>	<ul style="list-style-type: none"> <li>Implemented the Pre &amp; Post Merger Integration Framework (PPMI), which is the screening and merging process of M&amp;P company, to align with the best practice. This includes enterprise valuation, synergy value creation, good corporate governance and culture integration.</li> <li>Appointed teams of advisory in legal, accounting and finance to assess risk associated with the acquisition such as appropriate range of enterprise value, market value and business model as well as the evaluation of its competitiveness, and to provide measures to mitigate these risks.</li> <li>Required that integration plans be presented to executives and established a procedure to follow up.</li> </ul>	

Rising input cost – Raw material and labor		
Risk events	Mitigations	
<p>RCP and resin are the essential raw materials for packaging paper and polymer packaging, respectively, while labor input is also important. In 2022, the prices of global oil market and freight rate rose with the result that the prices of RCP and Resin significantly increased. Furthermore, the government has increased the minimum wage rate so that would increase the cost of employing workers. SCGP recognizes that rising raw materials and labor costs may essentially increase SCGP's production costs.</p>  <p>Environmental    Social    Governance</p>	<ul style="list-style-type: none"> <li>Closely monitored RCP and Resin market situations and market prices to ensure that procurement and inventory management strategies can build and maintain supply chain resilience and cost efficiency.</li> <li>Diversified sources of raw material by sourcing from the USA, Europe, Japan and Australia.</li> <li>Studied to invest on an automation system at the fiber packaging factory to reduce dependency on human labor in the production process.</li> <li>Operated 81 recycling centers located in ASEAN, as well as collecting recycled raw materials directly from business partners. Therefore, the raw materials could be supplied sufficiently with reasonable price.</li> <li>Invested in recycling business through M&amp;P with Peute Recycling B.V. (Peute), the Netherlands, and Jordan Trading Inc. (Jordan), the USA, to increase the ability to manage recycled raw materials in terms of both quantity and quality.</li> </ul>	

## 2. Operational Risks

Safety and health risks		
Risk events	Mitigations	
<p>SCGP operations involve manufacturing, services and logistics. Therefore, staff may be exposed to risks arisen from these activities that could affect the health and safety of employees or contractors. For this reason, SCGP fully realizes the importance and treats the health and safety matter as the highest priority to prevent the possibility of any adverse events affecting employees, business partners and stakeholders at the workplace, transportation and use of vehicles, as well as the products and services safety control. Consequently, SCGP realizes that the occupational health and safety is essential for sustainability.</p>  <p><b>Environmental</b>   <b>Social</b>   <b>Governance</b></p>		

<b>Human rights risks</b>	
<b>Risk events</b>	<b>Mitigations</b>
<p>SCGP operates in many countries, which have different laws and regulations on labor and human rights. Furthermore, SCGP's business operations involve various suppliers throughout the business value chain. For this reason, there are risks that company or suppliers may not be able to align the human rights policies or practices to conform with the labor laws of each country. These may have the impacts on SCGP's operations and compliance. In addition, there are risks related to human rights issues in communities that SCGP operate in, which could adversely impact the communities, vulnerable groups, stakeholders and organization.</p>	<ul style="list-style-type: none"> <li>Announced the policies on Human Rights, Diversity and Inclusion aligned with the United Nations Global Covenant (UNG), International Standards, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and international requirements. Deployed the policies into actual operations through the SCGP Sustainable Development Committee.</li> <li>Implemented a comprehensive Human Rights Due Diligence process by emphasizing the proactive actions to prevent the violations of Human Rights. In 2022, SCGP identified and assessed human rights risks encompass operational risks and supply chain risks in order to implement mitigation plan.</li> <li>Deployed the SCGP's employee recruitment policy. Thus, the recruiting process must be fair, transparent, and reflects capability and potential of the applicants. Focused on equity in recruitment with diversity in religion, age, ethnicity, gender, and education to be used as a guideline both domestically and internationally through the committee system, including the emphasizing on knowledge and competency corresponding to the specified position. Such approaches can reduce the discrimination and bias against the applicants, resulting in obtaining a diverse workforce with the knowledge and competency especially increasing the proportion of women in management roles.</li> <li>Organized Ethic e-Testing to all Thai employees to test their knowledge and understanding of the various ethics and human rights aspects; human rights and labor, environment, health and safety, anti-corruption, trade competition, anti-money laundering. The testing objective is to raise awareness of these issues among employees and prevent a potential violation. All employees are required to pass the test by 100%.</li> <li>Joined the Sedex Members Ethical Trade Audit (SEDEX), an organization that brings together members of corporate entities from all around the world. Members must implement an ethical management system for their employees and labor that meets SEDEX requirements in four major areas : labor standards, health and safety, business ethics, and the environment, spanning the entire value chain.</li> </ul>



FX volatility risks		
Risk events	Mitigations	
<p>Because SCGP has operations across many countries, strategic investments, businesses from merger &amp; partnership, imports of machineries, equipment and technologies, procurement of raw materials and foreign sales denominated in foreign currency means that the Company's expenses, revenue and part of loans are in foreign currencies. For this reason, the volatility in foreign exchange rate can affect the Company's performance.</p>  <p>Social      Governance</p>		
Expiration of critical license, permit and IP		
Risk events	Mitigations	
<p>SCGP operates the business in compliance with the Principles of Good Corporate Governance with responsibility, transparency and fairness. The Company has various businesses from upstream packaging to downstream packaging across number of countries, where there are unique set of laws and regulations that the Company must comply with. Each country's laws and regulations are constantly changing and there could be new laws and regulations, especially license expiry and intellectual properties. For this reason, there are risks that the Company may not be complying with some of these laws or regulations.</p>  <p>Environmental    Social    Governance</p>		

Flood and drought		
Risk events	Mitigations	
<p>Extreme weather events are considered as one of the most severe risk, which could lead to flood and drought becoming more severe and frequent. SCGP has operations in Thailand and overseas, in which some plants are likely exposed to flood and drought. Thus, the operations could be disrupted and the delay in delivering products to customers might occur. In 2022, Thailand had been hit by a series of storms, which could cause severe floods, especially in the Northeastern region and the Chao Phraya River basin where SCGP's Phoenix Pulp and Paper Public Company Limited (Khon Kaen plant) and Thai Containers Group Co., Ltd. (Saraburi plant and Nava Nakorn plant) are located, respectively. Furthermore, SCGP's logistics depends on road and water transportation to transport raw materials and products.</p>	<ul style="list-style-type: none"> <li>Adhered to the disaster reduction measures of the United Nations Office for Disaster Risk Reduction (UNISDR) with SENDAI Target Champion Goal no.7 on implementing in order to mitigate risks and create sustainability</li> <li>Used the Early Warning System (EWS) to monitor and assess water-related risk situations in all areas where SCGP operates, in order to determine the prevention measures and set timely mitigation actions to avoid the disruption in the production process. This information system is the primary sources linkage, e.g. the Royal Irrigation Department, the Meteorological Department.</li> <li>Established the role and responsibility of Business Unit Management Team and Local Management team to monitor and manage situations in high-risk areas. Implemented a business continuity plan in order to manage the situation, reduce the risks impact on the production process and avoid the intolerable disruption, so that SCGP could deliver the products and services on time.</li> <li>Conducted business continuity plan exercise to validate business continuity plans and procedures that would be initiated during flood incident. The benefit of exercising is ensuring a controlled and response that can provide the resilience in production processes and logistics.</li> <li>SCGP executives selected by the Federation of Thai Industries have joined the Water User Organization as a working group collaboration between government, private and public sectors under the supervision of the National Water Resources Board. The mission comprises of the usage, development, management, maintenance, restoration, and conservation of water resources. SCGP is involved in the five major river basins, namely the Mae Klong River Basin, East Coast Basin, Bang Pakong River Basin, Chi River Basin and Tha Chin River Basin.</li> <li>Increased water consumption efficiency in the production process by improving wastewater treatment system so that more water can be reused. In 2022, the Company consumed 27.6% less fresh water compared to the 2014 on a BAU basis.</li> <li>Rehabilitated the ecosystem that relates to water sources, both inside and outside the plant, to ensure sustainable water supply and support communities and agriculture around the plant.</li> </ul>	



### 3. Emerging Risks

Cyber security risk		
Risk events	Mitigations	
<p>SCGP uses information technology in business operations to achieve efficiency. Information technology is used for planning corporate resources, production, shipping, warehouse management, and sales through E-commerce channels. It is also used for quality control, dealing with customers and is used to ensure the Company's financial system is operating correctly. For this reason, this can expose to cyber security risks such as malware, an attempted data hacking and other cyber attacks. These can cause leaked or stolen data and disrupted operating system, affecting the operation performance and reputation of the Company.</p>   <p>Social      Governance</p>		

Climate change issue from greenhouse gas emissions		
Risk events	Mitigations	
<p>Human activities and industrial sectors continuously emit greenhouse gases into the atmosphere. As a result, the world's current temperature has risen by around 1.2 degrees celsius compared to the pre-industrial times. This leads to global warming and climate change, which poses many risks to human beings, the environment and economic development, especially leading to natural disasters such as heat wave. Climate change has caused extinctions of endangered species, food shortage and ever aggressive spread of diseases. Furthermore, as a consequence of this situation, consumers' behavior has evolved and there are more demand for eco-friendly products that are less harmful to the environment. In addition, there are increasingly stricter measures to control greenhouse gases emissions, e.g. setting tax that emitter must pay for each ton of greenhouse gas emission, so that the collaboration of every sector is the essential to address climate change.</p>    <p>Environmental    Social    Governance</p>		

Interest rate risk	
Risk events	Mitigations
<p>SCGP's financial performance could be affected by interest rate fluctuations. As of December 31, 2022, the Company's floating interest rate debt ratio was approximately 38% of all interest-bearing liabilities, excluding finance leases. If the market interest rate changes, it may affect the Company's profit and cash flow. That is, rising interest rates may increase financial costs related to the Company's debts.</p>  Governance	<ul style="list-style-type: none"> <li>Managed the portion between floating and fixed interest rate debts to ensure an appropriate level. Offered the debentures to investors and got fixed-rate term loans issued by commercial banks. Made an agreement of interest rate swap with overseas commercial banks.</li> </ul>
Talent development for expansion	
Risk events	Mitigations
<p>The world of business has become more volatile and uncertain. Many of the changes are driven by new technologies and rapidly changing consumer's needs. As a result, every company needs its employees to be equipped with the correct skills to respond to such changes. Moreover, SCGP has expanded the operation to overseas which could be exposed to talent development risks, especially the risk of inadequate talented employees to fill in key positions for business expansion.</p>   Social      Governance	<ul style="list-style-type: none"> <li>Identified Critical Competency supporting the business objectives encompassing Leadership and Functional Competency. Identified high-potential talents and built up their competences (Upskill – Reskill) by emphasizing on future capability solutions. Used the competency assessment to evaluate the capability and specify career planning to support the Company's growth and competitiveness.</li> <li>Created the career paths of both Thai and overseas employees through learning and development program, succession planning, career development and blended learning (70:20:10). Provided employees the appropriate knowledge and skills matching with their positions as well as ability to be agile.</li> <li>Facilitated annual Talent management evaluation in Thailand and supported all talent to develop Individual Development Plans (IDP). Organized learning programs to maximize their capability such as learning, mentoring and assigning project.</li> <li>Developed and sustained employee engagement. Conducted employee engagement surveys both Thai and international employees. Reviewed and revised employee engagement process by analyzing the survey results.</li> </ul>

Environment pollution risks transition to a Circular Economy		
Risk events	Mitigations	
<p>Nowadays, the manufacturers of consumer goods increasingly favor packaging with recycled materials contents and packaging that can recyclable. This is in line with the needs of consumers, which are increasingly conscious of packaging's environmental impact and sustainability. In addition, governments across countries deploy more stringent measures to manage waste disposal. If SCGP does not possess recycling technology or fail to produce environmentally-friendly products that can be efficiently recycled, the Company may be affected by lowered consumer demand and tighter government requirements. This could result in a significant impact on the operation and the performance.</p>    <p>Environmental    Social    Governance</p>	<ul style="list-style-type: none"> <li>Developed a multitude of innovative products and solutions that minimize resource consumption or promoted recyclability under the Circular Economy principle, for examples, Mono-material flexible packaging, a flexible polymer packaging that uses a single type of plastic pellets to form packaging. Mono-material has been developed for general packaging and packaging that requires Medium to High Barrier. This allows packaging to be recyclable and environmental friendly. In addition, rigid packaging with recycled components has been introduced to the market, reducing resource usage</li> <li>Collaborated with customers to return used bottles for recycling. SCGP has been working with the Pipper brand for the third year.</li> <li>Invested in recycling business through M&amp;P with Peute Recycling B.V.(Peute), the Netherlands and Jordan Trading Inc. (Jordan), the USA, following SCGP's Circular Economy policy. Increased the ability to manage recycled raw materials in terms of both quantity and quality, ensuring sustainable growth for a business.</li> </ul>	

#### 4. Investment Risks Associated with Investment of the Securities Holders

Conflicts of interest with the major shareholder		
Risk events	Mitigations	
<p>SCC is the Company's direct and indirect shareholder. Its proportion of issued shares is not less than 70% and it has control over the Company as long as it continues to hold a majority of the Company's shares. SCC is able to nominate a person to serve as the Chairman of the Board. In addition, SCC is able to pass a majority vote at the general shareholder meeting. It can also forbid changes to the Company's control. Therefore, SCC's interests may not be the same, or there may be a conflict of interest with other shareholders.</p>  <p>Governance</p>	<ul style="list-style-type: none"> <li>Adhered to principles of good corporate governance and sustainable business to ensure fairness and equality among all shareholders.</li> <li>The Board of Directors consists of 12 directors which including 8 independent directors (66% of total directors) and 11 directors are not included in Management Committee (more than 90% of total directors). Furthermore, SCGP has set independent director's qualifications in regard to shareholding, which stipulates that an independent director of a company must hold shares in the Company not exceeding 0.5% of the total number of shares with voting rights of the Company, a parent company, a subsidiary, an associated company, a major shareholder or a controlling person, in order to prevent any impact on his/her independent judgment.</li> <li>The Board of Directors has put in force the policy to prevent any conflicts of interest. The Company has established guidelines, prohibitions, and various considerations for directors, executives and employees to understand how to implement the policy.</li> </ul>	

# Driving Sustainability in Business



# Driving Sustainability in Business

## Sustainability Management Policy and Goals

SCGP and its subsidiaries, both Thailand and abroad, have a policy that governs the operation of their businesses in accordance with sustainability guidelines, considering risks and opportunities of sustainability improvement at all levels of the organization, short- and long-term needs, expectations of all related parties, as well as environmental, social and governance (ESG) impacts. The Company and its subsidiaries use this information to formulate business strategies that help the business grow sustainably within rapidly changing circumstances, taking into account the balance between ESG aspects.

The Company's Corporate Governance Handbook contains the published Sustainable Development Policy, Corporate Governance Policy, Human Rights Policy, Risk Management Policy, Stakeholders Engagement Policy, the Policy and Guidelines for the Procurement and Selection of Supplier/Business Partners of SCG Packaging and the SCG Packaging's Supplier Code of Conduct, as well as the Diversity and Inclusion Policy, Tax Policy and Compliance Policy. The Environment and Climate Policy is published on the Company's website.

The Company has set sustainability goals and guidelines in 2022 that follow United Nations Sustainable Development Goals (SDGs). The 15 goals set are listed below:

	<b>No poverty</b> End poverty in all its forms everywhere		<b>Decent work and economic growth</b> Promote inclusive and sustainable economic growth and decent work for all		<b>Life on land</b> Protect, restore and promote sustainable use of terrestrial ecosystems. Ensure sustainable forest management. Stop the expansion of the desert. Freeze and reverse the process of soil degradation. End the loss of biodiversity.
	<b>Good health and well-being</b> Ensure healthy lives and promote well-being for all at all ages		<b>Industry, innovation and infrastructure</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		<b>Peace and justice strong institutions</b> Promote peaceful, equitable and inclusive societies for sustainable development. Generate a justice process that is accessible to everyone. Create effective, verifiable and open institutions at all levels
	<b>Quality education</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		<b>Reduce inequality</b> within and among countries		<b>Sustainable cities and communities</b> Make cities and human settlements inclusive, safe, resilient and sustainable
	<b>Gender equality</b> Achieve gender equality and empower all women and girls		<b>Responsible consumption and production</b> Develop sustainable consumption and production patterns		<b>Partnerships for the goals</b> Maximize the operation and reinforce the global partnership for sustainable development
	<b>Clean water and sanitation</b> Ensure availability and sustainable management of water and sanitation for all		<b>Climate action</b> Take urgent action to combat climate change and its impacts		
	<b>Affordable and clean energy</b> Ensure access to affordable, reliable, sustainable and modern energy for all				

SCGP's sustainability goals and guidelines for 2022 are as follows:

Environmental Guidelines	Goals	Management Guidelines
	<b>Climate Resilience</b>  <ul style="list-style-type: none"> <li>Net Zero greenhouse gas emissions by 2050.</li> <li>Reduce greenhouse gas emissions 20% by 2030 compared with the base year of 2020.</li> <li>Reduce energy consumption 13% by 2025 compared with Business As Usual (BAU) in the base year 2007.</li> </ul>	<ul style="list-style-type: none"> <li>Increase energy efficiency by utilizing the best available technology.</li> <li>Increase the share of renewable energy and alternative fuel.</li> <li>Produce low-carbon products according to Circular Economy principles.</li> <li>Study "the Carbon Capture, Utilization, and Storage (CCUS) technologies" in cooperation with national and international organizations to enhance specific future technology into concrete actions with a higher level of use.</li> <li>Support and cooperate with forest protection and terrestrial forest ecosystem restoration efforts to preserve biodiversity and increase their capacity to absorb carbon dioxide.</li> <li>Apply economic tools to enhance the reduction of greenhouse gas emissions.</li> </ul>
	<b>Air Quality Management</b>  <ul style="list-style-type: none"> <li>Reduce the intensity emission of air pollution (Particulate Matter, SO<sub>x</sub>, NO<sub>x</sub>) per ton of production 5% by 2025 and 10% by 2030 compared with the base year of 2020.</li> <li>No odor official complaints.</li> </ul>	<ul style="list-style-type: none"> <li>Set the air pollution emission target under the international guideline for the same business groups but not exceeding the value specified by law.</li> <li>Apply the best available Air Pollution Management Technology by controlling both pollution sources and release points and continuously monitoring air quality.</li> <li>Encourage community involvement and stakeholders in managing air pollution. And collect feedbacks and concerns regularly.</li> <li>Promote the regular participation of communities and stakeholders in air pollution management.</li> </ul>
	<b>Water Management</b>  <p>Reduce water withdrawal 35% by 2025 compared with Business As Usual (BAU) at the base year of 2014.</p>	<ul style="list-style-type: none"> <li>Reduce water-related risks with integrated water management.</li> <li>Increase the efficiency of water use in production processes and products.</li> <li>Treat effluent to meet quality standards.</li> <li>Monitor effluent and its quality, report on effluent issues, perform incident investigation, and take corrective actions to reduce effluent.</li> <li>Bring back recycled water after treatment to be used.</li> <li>Build the capabilities of persons who are involved in water management.</li> <li>Rehabilitate water sources' ecosystems and supply water to communities and agriculture.</li> </ul>
	<b>Industrial Waste Management</b>  <ul style="list-style-type: none"> <li>Every Year, zero waste from the production process in Thailand to landfill.</li> <li>By 2025, 100% reduction of waste disposal by incineration without energy recovery in Thailand, compared with the base year of 2014.</li> </ul>	<ul style="list-style-type: none"> <li>Strive to reduce and eliminate waste generation at the source and set the indicators for continual assessment</li> <li>Manage industrial waste, hazardous and non-hazardous wastes at maximum within SCG and SCGP following the 3R and Circular Economy principles and using measures or standards issued -by the government or world-class organizations aiming to perform beyond compliance.</li> <li>Research and develop innovation to reuse and recycle raw material and waste or create value to waste by converting them to value-added products</li> </ul>
	<b>Forests and Biodiversity</b>  <ul style="list-style-type: none"> <li>Having biodiversity conservation are certified by FSC™ standard at least 10% of agroforestry area.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve sustainable biodiversity management using international indicators.</li> <li>Serve as a role model for biodiversity conservation for other areas.</li> <li>Engage with communities and stakeholders to enhance knowledge and understanding of conservation.</li> <li>Manage the use of community forest areas with participation according to the community forest principle.</li> </ul>
Social Guidelines	<b>Health and Safety</b>  <ul style="list-style-type: none"> <li>0 case of work-related fatality of employees and contractors in every year.</li> <li>Occupational Illness and Disease Frequency Rate of 0 case/1,000,000 hours worked every year.</li> <li>Lost Time Injury Frequency Rate of 0 case/1,000,000 hours worked in 2022 in Thailand for employees and contractors.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage safety leadership for employees and contractors in all companies and raise awareness on safety to create a safety culture throughout the organization.</li> <li>Seek to enhance the Occupational Health and Safety Management System in both domestic and oversea plants in order to strive for excellence in Occupational Health and Safety.</li> <li>Develop digital technology to ensure that the Occupational Health and Safety Management System becomes easier to implement and efficiency rises.</li> </ul>
	<b>Human Rights</b>  <ul style="list-style-type: none"> <li>Zero cases of human rights violation.</li> <li>100% of employees to pass the Ethics e-Testing, a test on ethics and human rights.</li> <li>The proportion of female employees in all management positions is 24% in 2025.</li> </ul>	<ul style="list-style-type: none"> <li>Human Rights Operations Integration and Managing Diversity and Inclusion to be a part of business operations throughout the domestic and international value chain.</li> <li>Create value, and develop and extend participative programs that uphold the principles of respect for human rights to all groups of stakeholders throughout the value chain and society as a whole.</li> <li>Be a role model, share, exchange experiences on human rights with other organizations.</li> </ul>

<b>Social Guidelines</b>	<b>Goals</b>	<b>Management Guidelines</b>
	<b>Employee Caring and Development</b>  <ul style="list-style-type: none"> <li>Employee engagement rate is 78%.</li> <li>All employees in Thailand receive 100% in the competency assessment and individual development plan in the Learning Management System (LMS) every year.</li> </ul>	<ul style="list-style-type: none"> <li>Create corporate value to attract talented and competent prospective employees.</li> <li>Ensure that employee caring is thoroughly equitable to create engagement with the organization.</li> <li>Reinforce employees' abilities to support business competition, work happily and achieve efficiency in teamwork.</li> <li>Cultivate a learning culture by expanding opportunities for employees to develop themselves according to the personal interests and learning methods best suited for each individual, such as teaching hard and soft skills through various learning channels.</li> <li>Provide a fundamental learning system of the same quality and standard for the entire region using the Learning Management System (LMS).</li> </ul>
<b>Economic Guidelines</b>	<b>Community Engagement and Development</b>  <ul style="list-style-type: none"> <li>Community satisfaction is 90%.</li> <li>The model community in Ban Pong, Ratchaburi will be expanded to 183 communities in 2030.</li> <li>The SCGP Open House allows the community to visit the factory 12 times per year with 1,000 participants per year.</li> </ul>	<ul style="list-style-type: none"> <li>Utilize both internal and external specialization to support society.</li> <li>Foster employee involvement with relevant stakeholders in all sectors to create sustainable value for society.</li> <li>Develop innovation that responds to the needs of the community and solves social issues.</li> <li>Develop a community model and expand the model's achievements to other community networks.</li> </ul>
	<b>Product Stewardship</b>  <ul style="list-style-type: none"> <li>Sale revenue from SCG Green Choice products, services, and solutions is 66.7% of the total sales revenue by 2030.</li> <li>Sale revenue from SCG Green Choice products, services, and solutions that provide direct benefits to customers is 33.3% of the total sales revenue by 2030.</li> <li>All subsidiaries in Thailand must fully follow the requirements of the REACH Regulation (Annex XVII and Substances of Very High Concern (SVHC) for Authorization).</li> <li>No complaint regarding non-compliance with the law and the products safety.</li> </ul>	<ul style="list-style-type: none"> <li>Foster an innovative approach to developing products, services, and solutions that fulfill consumers' needs and enhance consumers' well-being by taking into account the impact of climate change and hygiene, Circular Economy principles and new business opportunities.</li> <li>Develop business processes throughout the value chain that are in line with international standards.</li> <li>Consider the effects of environment and product safety throughout the life cycle of products, services, and solutions.</li> <li>Encourage products to be certified and receive environmental labels such as SCG Green Choice, Carbon Footprint Product (CFP), Carbon Reduction, etc.</li> <li>Promote and raise awareness of the use of products that are environmentally friendly to stakeholders.</li> </ul>
<b>Customer Relationship Management</b>	 <ul style="list-style-type: none"> <li>Customer experience score 85% (Fibrous Business, packaging paper, and fiber packaging).</li> </ul>	<ul style="list-style-type: none"> <li>Create business-to-business-to-customer (B2B2C) experiences.</li> <li>Create business-to-customer (B2C) experiences.</li> </ul>
<b>Supply Chain Stewardship</b>	 <ul style="list-style-type: none"> <li>90% of procurement value sourced from suppliers who are committed to complying with the SCG Packaging's Supplier Code of Conduct.</li> <li>100% of suppliers in Procurement pass the Environmental, Social and Governance (ESG) Risk Assessment.</li> <li>100% of contractors in the production process have been certified under SCG Contractor Certification System or SCS.</li> <li>100% of transport business partners of the main transport business partners have been certified as regular transport business partners.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct risk assessments and supplier segmentation to formulate a strategy and supplier development plan corresponding to the risks.</li> <li>Develop and advance suppliers' capabilities towards sustainability.</li> <li>Raise awareness and enhance employees' competency for efficient procurement.</li> </ul>
<b>Corporate Governance</b>	 <ul style="list-style-type: none"> <li>A 5-star excellent rating in the assessment by the 2022 Corporate Governance Survey of Listed Companies.</li> <li>Zero misconduct against the Anti-Corruption Policy.</li> <li>100% of employees to pass the Ethics e-Testing, a test on ethics.</li> </ul>	<ul style="list-style-type: none"> <li>Determine policies and practices on corporate governance that are consistent and follow the same direction throughout the organization.</li> <li>Review the corporate governance policies and practices to ensure conformity with the Company's strategy and the challenges of change at least once a year.</li> <li>Communicate and encourage employees and business partners to fully understand, realize and comply with the policy and the guideline for corporate governance, SCG Packaging's Code of Conduct, and SCG Packaging's Supplier Code of Conduct.</li> </ul>
<b>Information and Cyber Security</b>	 <ul style="list-style-type: none"> <li>The information system operates continuously not less than 99.5 % of the time, or the system suffers issues less than 1.83 days a year.</li> <li>No complaint about insecure customer data is found.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate information and cyber security risks into enterprise-wide risk management such as the identification of risks or business opportunities, assessment and prioritization, management measure formulation, and monitoring and reporting.</li> <li>Determine the security management process of the information technology system as guided by the information technology security policy.</li> <li>Enhance knowledge, understanding and awareness among employees at all levels by instructing employees to appropriately behave when facing a cyber threat.</li> </ul>

## SCGP Value Chain and Value Creation

SCGP is committed to conducting business with the SCG ESG Pathway, combined with the Circular Economy Principles to maximize happiness for stakeholders in the sustainable value chain.

### OUR SIX CAPITALS

### EMPOWER OUR VALUE CHAIN THAT CREATES

#### Inputs

#### Planet

##### 1. Natural Resources

- Virgin Raw Materials (e.g. Wood chips/wood logs, Virgin pulp, Virgin film/resin)
- Recycled Raw Materials (e.g. Recovered paper, Post Consumer Resin)
- Water
- Energy

#### People

##### 2. Human Resources

- Employees and suppliers
- Training

##### 3. Social and Relation

- Sound business ethics
- Business partners
- Customer relationship
- Global Brand Perception

#### Prosperity

##### 4. Intellectual resources

- Innovative Patent on Paper Packaging and Recycling
- Trademarks
- Technology licenses
- Software licenses

##### 5. Financials

- Costs and Expenses
- Corporate Shares
- Bonds, Debts, Loans

##### 6. Manufacture

- 57 Operation Plants
- Head office

### EMPOWER OUR VALUE CHAIN THAT CREATES

## Raw Materials

### SCGP

#### Vision

A leading multinational consumer packaging solutions provider through innovative and sustainable offerings

### SCG ESG Pathway



#### 9 STAKEHOLDER GROUPS

1. Shareholders/Investors/Business partners/Creditors
2. Employees
3. Customers
4. Suppliers/Contractors
5. Communities
6. Governance Agencies
7. Mass Media
8. Civil Society/Academics/Thought Leaders, and
9. Competitors

## VALUE FOR OUR STAKEHOLDERS

## Results

## Impacts

## SDGs

**Planet****Natural Outcomes**

- Air pollutants and Carbon dioxide emissions, Waste and effluent management
- Energy and Water consumption Management
- Sustainable Products and Solutions

**Planet****Natural Impact**

- Reduction of CO<sub>2</sub> emissions 9, 13
- Air pollutants, Waste and Effluent appropriately managed and reduced 6, 9, 12
- Reduction of Energy and water consumption 6, 7
- Preservation of Biodiversity 15

**People****Human Resources Outcomes**

- Human Rights of employees and suppliers
- Diverse and Inclusive workforce
- Injuries and ill health
- Employee salaries and welfare
- Employee engagement and satisfaction

**People****Human Resource Impact**

- Protection of Human Rights in workplace 5, 10, 16
- Promotion of diversity and inclusion opportunity 5, 8, 10, 16
- Contraction of Occupational Health and Safety incident 3, 8
- Enhancement of employee skills development 4
- Improvement of employee satisfaction 5, 8, 10, 16

**Social and Relation Outcomes**

- Job creation
- External Stakeholders Engagement and Satisfaction
- Brand reputation

**Social and Relation**

- Strengthen of business ethics & partnership on supply chain 8, 12, 16, 17
- Stimulation of job employment 1, 8
- Promotion of customer satisfaction 16
- Global reputation and recognition 16

**Prosperity****Intellectual Outcomes**

- Innovative Paper & Packaging products and Recycling solutions
- Knowledge intuition and sharing

**Financial Outcomes**

- Profits
- Access to Capital Market
- Returns on third party capital/dividends
- Revenue Growth

**Manufacture Outcomes**

- Centralized network collaboration
- Quality and efficiency of resources acquisition

**Prosperity****Intellectual Impact**

- Dissemination of new Paper, Packaging and Recycling product innovated 8, 9, 12
- Leveraged benefit from Paper, Packaging and Recycling 8, 9, 12

**Financial Impact**

- Minimizing financial risks to related stakeholders 1, 8
- Debt reduction 1

**Manufacture Impact**

- Sustainably used of resources acquired 9, 11, 12, 13
- Enhancement of product value added 9, 11, 12

## Analysis of Stakeholder Expectations

SCGP has 9 stakeholder groups: (1) Shareholders/Investors/Business partners/Creditors, (2) Employees, (3) Customers, (4) Suppliers/Contractors, (5) Communities, (6) Government agencies, (7) Mass Media, (8) Civil Society/Academics/Thought leaders and (9) Competitors. Each stakeholder group may be affected by the Company's operations at different levels. Therefore, stakeholders' needs and expectations, communications/channels and examples of what has been done for stakeholders were continuously analyzed. The following table shows the results of the stakeholder expectation analysis conducted in 2022:

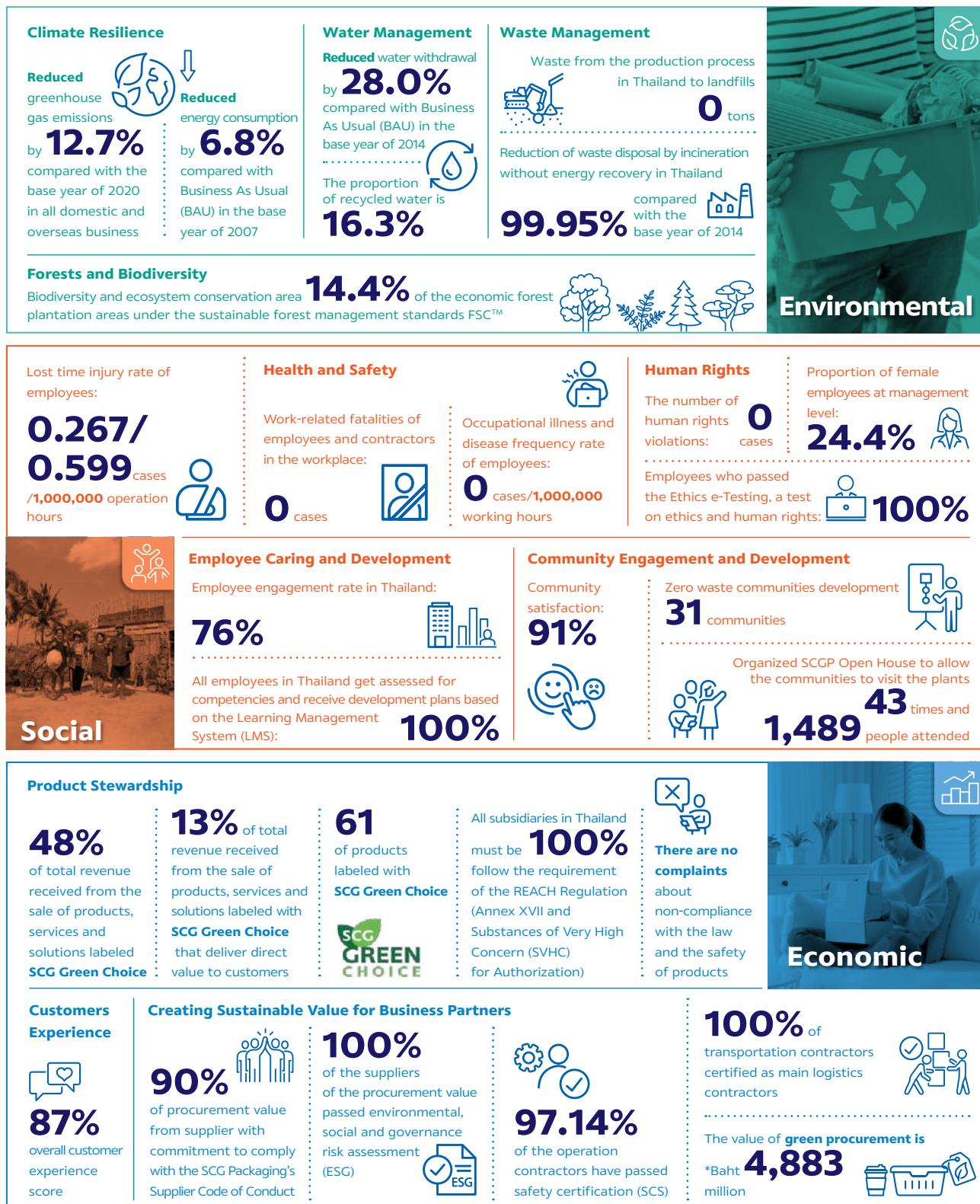
Stakeholder Groups	Needs and Expectations	Participation Approaches	Example of Outcomes
<b>1</b> <b>Shareholders/ Investors/ Business partners/ Creditors</b> 	<ul style="list-style-type: none"> <li>SCGP's plan/ strategies to achieve both long-term, and short-term goals</li> <li>Operating results and business growth</li> <li>Corporate Governance Practice and transparency of management</li> <li>Disclosure of information on business performances</li> <li>An optimum value of the dividend</li> <li>Receive opinions/suggestions to improve operations</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting of shareholders (AGM)</li> <li>Announcement of quarterly business performance</li> <li>Annual Report and Annual Sustainability Report</li> <li>Analyst conference</li> <li>Investor Relations (IR) communicate business results/action plans with investors around the world</li> <li>Hotline phone and e-mail, managed by IR</li> <li>Website</li> <li>Annual Plant visits and CSR activities</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of essential and necessary information on SCGP's Operating performances</li> <li>Conduct business with transparency and accountability</li> <li>Listen to opinions and suggestions for business operation development</li> </ul>
<b>2</b> <b>Employees</b> 	<ul style="list-style-type: none"> <li>Reskill - Upskill and Potential Development in line with business changes</li> <li>Business Directions and Guidelines for adaptation</li> <li>Employee caring</li> </ul>	<ul style="list-style-type: none"> <li>Ensure regular communications through internal news</li> <li>Hold annual meeting between employees and executives</li> <li>Prepare Employee Engagement Plan of each department to encourage employee's commitment to the organization</li> <li>Conduct yearly employee engagement survey</li> <li>Conduct formal and informal employee engagement surveys</li> <li>Provide relevant information business movements through various internal communication channels, including e-mail, Line Group, Employee Connect Application</li> <li>Provide information to realize and be aware of healthcare during the COVID-19 pandemic through multiple internal communication channels, including e-mail, Line Group, Employee Connect Application</li> </ul>	<ul style="list-style-type: none"> <li>Recognize employees' problems and expectations</li> <li>Understand employees' needs and facilitate them to work happily and efficiently</li> <li>Disclose operational information to keep employees informed of SCGP business operations</li> <li>Promote a collaborative culture with other stakeholders</li> </ul>

Stakeholder Groups	Needs and Expectations	Participation Approaches	Example of Outcomes
<b>3</b> <b>Customers</b> 	<ul style="list-style-type: none"> <li>Provide Integrated services and solutions that meet the needs of customers in a complete cycle</li> <li>Supply Quality products and services that meet customer needs and are environmentally friendly</li> <li>Provide online channels to customers during the COVID-19 pandemic to respond to customer behavior</li> </ul>	<ul style="list-style-type: none"> <li>Develop sustainable products, services, and solutions and consider environmental, health, and safety impacts at every step of the process</li> <li>Provide channels for customers to give feedback about products and services, request solutions, and file complaints through various channels 24 hours a day</li> <li>Co-develop products with customers and create collaborative projects that enhance social responsibility</li> <li>Conduct a customer experience survey</li> <li>Conduct Brand reputation Survey</li> <li>Listen to customer needs to develop products/services through Facebook, website, and customer visit</li> </ul>	<ul style="list-style-type: none"> <li>Recognize and understand customer needs to deliver products and services that meet their specific needs</li> <li>Co-develop products with business customers, including promoting cooperation among B2B customers to develop more sustainable products and services</li> <li>Create channels for customers to give feedback on the products, request the advice for solving their problems, and receive complaints</li> </ul>
<b>4</b> <b>Suppliers/ Contractors</b> 	<ul style="list-style-type: none"> <li>Provide knowledge be a mentor to raise transportation capability with safety for growing along with SCGP</li> <li>Support operational knowledge with concerns on the Environmental, Social and Governance (ESG) to enhance the business partners' capability to reduce operational and reputational risks</li> </ul>	<ul style="list-style-type: none"> <li>Visit suppliers/contractors' places for exchanging ideas and listening to their suggestions or recommendations for improvement</li> <li>Cultivate consciousness, raise awareness and promote working behavior to build a culture of safety</li> <li>Organize the seminars to share knowledge and new trends that may affect contractors' operations</li> <li>Enhance the level of transportation contractors with assessment and development under the project Sustainability Program every year</li> <li>Establish measures for contractors, including digital and online technology applications, to ensure safety during COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Promote and take care of the safety and working environment of contractors in production and transportation</li> <li>Create value for business partners and suppliers through supporting and elevating the operations of business partners and partners in order to develop knowledge to achieve maximum efficiency.</li> <li>Promote and support suppliers and Contractors to comply with the requirement relevant environmental, health and safety laws</li> <li>Develop collaborative projects for business growth and expansion</li> </ul>
<b>5</b> <b>Communities</b> 	<ul style="list-style-type: none"> <li>Ensure that the business operations do not affect the community and environment</li> <li>Use SCGP's expertise to develop and improve the quality of life of the community</li> <li>Have a chance to learn and self-development for building career and income stability</li> <li>Enhance income generation by increasing sales channels, developing the marketing plan, and providing packaging</li> <li>Care for communities during the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Visit the community to listen to villagers' opinions, suggestions, and needs through community-relations activities</li> <li>Conduct Community Satisfaction Survey annually</li> <li>Act as a mentor to give advice and help develop communities in various dimensions, using the expertise of the organization</li> <li>Collaborate with communities, experts, government, and related sectors to create a positive social impact</li> <li>Use Social media tools; Line, Facebook, and Twitter</li> <li>Create open house activities for the community visit to obtain their opinions</li> </ul>	<ul style="list-style-type: none"> <li>Be a part of the community with respect to community's rights in parallel with caring for the environment around the community</li> <li>Improve the quality of life and enhance the community's benefits and society where SCGP operates both in Thailand and ASEAN</li> <li>Listen to the community's opinions. Develop the cooperative projects that use the community's competence for society's benefit</li> </ul>

Stakeholder Groups	Needs and Expectations	Participation Approaches	Example of Outcomes
<b>6</b> <b>Government agencies</b> 	<ul style="list-style-type: none"> <li>Be a role model of corporate governance for other organizations in terms of operational transparency and excellence</li> <li>Collaborate with public sectors and present guidelines for sustainability</li> <li>Receive opinions and suggestions from the public sectors</li> <li>Conduct business by heeding the impact on the environment and the community</li> <li>Participate in a collaborative project to achieve the Sustainable Development Goals (SDGs)</li> </ul>	<ul style="list-style-type: none"> <li>Listen to opinions and recommendations from the government sector</li> <li>Participate in voicing opinions and recommendations to rules, regulations and guidelines set out by the government sector</li> <li>Participate with the public sectors and share the best practices to disseminate to the public</li> <li>Join as a committee or working group with the public sectors in proposing regulatory rules</li> <li>Visit various public sectors to obtain opinions and suggestions</li> <li>Disseminate information on the business operations through articles, media, academic forums, exhibitions, and seminars</li> </ul>	<ul style="list-style-type: none"> <li>Properly and accurately execute business activities by strictly complying with applicable laws and regulations</li> <li>Cooperate and support activities that promote operations and policies of the public sectors</li> </ul>
<b>7</b> <b>Mass media</b> 	<ul style="list-style-type: none"> <li>Become a large corporation model that focuses on conducting business according to sustainable development framework in three aspects. And do it thoughtfully and continuously, achieving clearly tangible and intangible outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Disseminate business information in various aspects regularly, such as business performance and business press conference</li> <li>Organize activities to explore operations or social activities occasionally</li> <li>Support the media activities that are beneficial to society, aligning with SCGP's business principle, appropriately</li> <li>Have media dialogue to receive suggestions, opinions, or improvements to develop and design communication activities to match the needs and benefits of people who receive information</li> </ul>	<ul style="list-style-type: none"> <li>Communicate corporate news through in-depth media interviews and an Online survey (emphasize media) to provide news content - preparation responding to different media needs</li> <li>Create an online communication channel to disseminate correct, complete, and up-to-date information, including facilitating the media</li> <li>Build engagement and good relationships with the mass media</li> </ul>
<b>8</b> <b>Civil Society/ Academics/ Thought Leaders</b> 	<ul style="list-style-type: none"> <li>Become a model and mentor of other small and medium enterprises for sharing lesson learned and best practices on sustainability</li> <li>Join forces with large corporations to make significant changes for sustainability</li> <li>Cooperate with government agencies and present practical guidelines for sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Listen to opinions and suggestions from civil society, academics, and thoughts to develop business operations</li> <li>Cooperate in projects promoting social sustainability</li> <li>Build engagement and share good practices for civil society/academic/thoughts leaders to apply, such as road safety, health management, etc.</li> <li>Provide information on the business operations through articles, media, meetings, exhibitions, academic work, and seminars</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of complete and transparent information</li> <li>Listen to comments and suggestions from civil society</li> <li>Seek opportunities to build partnerships to drive and drive issues related to sustainability</li> <li>Raise awareness and understand the community on important sustainable development issues</li> <li>Utilize knowledge from experts to support collaborative projects</li> </ul>
<b>9</b> <b>Competitors</b> 	<ul style="list-style-type: none"> <li>Conduct business under the framework of fair competition, with business ethics and transparency</li> <li>Do not take advantage of competitors by unlawful means</li> <li>Do not damage the reputation of competitors by making malicious accusations</li> <li>Do not seek any trade secret information through dishonest or inappropriate means</li> <li>Do not conduct any action that fringes the intellectual property of competitors</li> <li>Support and promote free trade</li> </ul>	<ul style="list-style-type: none"> <li>Join as a committee or work with associations such as the Federation of Thai Industries or other associations</li> <li>Provide seminar for knowledge sharing on new trends that may affect business operations</li> <li>Pay a visit to build relationships for exchanging ideas and listening to suggestions or improvements</li> </ul>	<ul style="list-style-type: none"> <li>Conduct the business under the framework of fair competition and related laws</li> <li>Disclosure of essential and necessary information on SCGP's operating performances</li> <li>Conduct business with transparency and accountability</li> <li>Listen to opinions and suggestions for business operation development</li> <li>Identify opportunities to build cooperation for encouraging and driving business-related issues to the consideration of the Government sector</li> </ul>

## Sustainability Performance

Based on the stakeholder expectation analysis, the Company has put sustainability guidelines in place, which cover economic, social and environmental factors that influence corporate governance. The key sustainability results regarding economic, social and environmental factors under good governance for 2022 are as follows:



**Notes :** \*Environmentally friendly procurement means to supply products and services that cause the least impact on the environment. This drives manufacturers to overhaul and speed up the development of products and services that are more environmentally friendly to the society. The criterion for environmentally friendly procurement originates from these two factors:

- 1) the impact on the environment caused by objects/things and services throughout the lifecycle of use and
- 2) an environmental management system

## Information on Sustainable Development Operations SCGP

Performance information	2018	2019	2020	2021 Thai/Overseas	2022
1 Revenue from Sales of High Value-Added Products and Services (%) <sup>1</sup>	51	52	63	48	45
2 Revenue from Sales of and Services SCG Green Choice Products (%) <sup>1</sup>	34	16	34	45	48
3 Research & Development and Innovation Investment (Baht Million) <sup>1</sup>	425	584	529	958	522
4 Raw Materials (Thousand Tons) <sup>2</sup>	5,483	5,177	6,405	4,507 / 2,712	8,649
5 Recycled and Renewable Materials (Thousand Tons) <sup>2</sup>	2,550	2,597	4,003	4,482 / 2,688	8,607
6 GHG Scope 1 and 2 (Million Tons Carbon Dioxide Equivalent) <sup>3</sup>	2.96	2.91	2.92	2.79 / 2.09	4.36
7 GHG Emission Reduction Compared with the base year of 2020 (%) <sup>4</sup>	13.22	14.45	12.79	4.6 / -0.8	12.7
8 GHG Emission (Tons Carbon Dioxide Equivalent per Ton of Production)	0.86	0.85	0.87	0.8 / 0.94	0.79
9 Alternative Fuel (Petajoules) • Renewable Biomass	0.96	1.39	1.59	2.31 / 0.66	4.18
10 Alternative Fuel (Petajoules) • Renewable Industrial Waste	9.80	9.81	8.81	10.09 / 0.37	10.47
11 Alternative Fuel (Petajoules) • Non-Renewable Industrial Waste	1.08	0.89	1.94	1.9 / 1.7	2.96
12 Portion of Renewable Energy (%)	26.27	27.52	25.57	29.8 / 4.41	24.3
13 Energy Consumption Reduction Compared with Business as Usual (BAU) in the base year of 2007 (%)	8.23	8.42	5.36	5.6 / 6.2	6.8
14 Energy Consumption (Gigajoules per Ton of Production)	11.91	11.86	12.14	11.89 / 10.48	10.9
15 Water Withdrawal Reduction Compared with Business as Usual in the base year of 2014 (%)	4.32	10.40	16.81	19.4 / 37.80	28.0
16 Portion of Recycled Water (%)	9.75	12.04	14.08	16 / 10	16.3
17 Water Withdrawal (Cubic Meter per Ton of Production)	19.05	17.82	16.31	15.53 / 11.17	13.1
18 Hazardous and Non-Hazardous Waste to Landfilled (Tons)	0	0	0.77	0 / 17,749.8	12,236.22
19 Hazardous and Non-Hazardous Waste to Incineration without Energy Recovery Compared with the base year of 2014 (%) <sup>5</sup>	93.49	96.17	99.62	99.99 / N/A	99.95
20 Lost Time Injury Frequency Rate: LTIFR (Cases per 1,000,000 Hours Worked) • Employee+Contractor	0.532	0.605	0.217	0.263 / 1.492	0.419
21 Total Number of Work-Related Fatalities (Cases) • Employee (male : female)	0 : 0	0 : 0	0 : 0	1 : 0 / 0 : 0	0
22 Total Number of Work-Related Fatalities (Cases) • Contractor (male : female) (Workplace and Direct Transportation)	1 : 0	0 : 0	0 : 0	0 : 0 / 1 : 0	0
23 Recordable Work-Related Injury Rate (Cases per 1,000,000 Hours Worked) • Employees	0	0	0	0 / 0	0
24 Female Share of Total Workforce (%)	16.91	16.92	17.52	17.9 / N/A	21.9
25 Female in All Management Positions (%)	18.9	19.6	20.6	21.2 / N/A	24.4

Notes :

- Economic data covers domestic and overseas performance.
- For the total amount of raw materials and the number of raw materials from recycled materials in 2018 - 2020, the report includes data on the amount of waste paper that are raw material for overseas factories into the Thailand data. For the year 2021 - 2022, the report is divided based on the total amount of raw materials, the number of raw materials from recycled materials and the number of raw materials from renewable materials based on the locations of the plants that use raw materials. and the number of raw materials from recycled materials and renewable materials are included.
- Direct GHG emissions (Scope 1) arise from the production processes or activities of which the sources are in the supervision and the management of the Company or plants, such as the emission of greenhouse gases led by stationary combustion, mobile combustion, fugitive emissions, and chemical reaction emission. Carbon dioxide emissions from biomass burning, biogas and lime mud burning at lime kiln must be separated from Scope 1 because carbon found in biomass, biomass and lime kiln are of the natural origin.
- Indirect GHG emissions (Scope 2) is caused by indirect GHG emission from energy consumption, e.g., greenhouse gases arising from electricity generation, imported thermal or steam for internal utilization.
- Hazardous and Non-Hazardous Waste to incineration without energy recovery for the year 2022 are Thailand performance.

SCGP has disclosed information in the Sustainability Report in accordance with GRI standards. The accuracy of the sustainability information was verified for the year ended December 31, 2022 by SGS Company Limited. The Company has disclosed details of its sustainable development performance in the 2022 Sustainability Report on our website: [www.SCGPackaging.com](http://www.SCGPackaging.com).



# **Management Discussion and Analysis: MD&A**



# Management Discussion and Analysis: MD&A

## Business and Operations Overview

SCG Packaging Public Company Limited (SCGP) is a holding company with operations across the region through its subsidiaries and associates in three businesses, which are (1) Integrated Packaging Business (2) Fibrous Business and (3) Recycling Business.

### 1. Integrated Packaging Business

Revenue accounts for approximately 80% of the total consolidated revenue and comprises of:

- Fiber Packaging, such as corrugated containers and retail display packaging
- Packaging Paper
- Consumer and Performance Packaging including; flexible packaging, rigid packaging and medical supplies & labware

### 2. Fibrous Business

Revenue accounts for approximately 17% of total consolidated revenue and comprises of foodservice packaging, printing & writing paper, and pulp products.

### 3. Recycling Business

Revenue accounts for approximately 3% of total consolidated revenue and comprises of recovered paper and plastic.

In 2022, ASEAN economy continued to be supported by the relaxation of preventive measures against COVID-19, which led to the recovery of domestic consumption particularly in food & beverage, daily consumer products along with export of processed food and pet food.

Number of foreign tourists also gradually increased after the easing of international travel restriction. Nonetheless, the volatility of global economy and the geopolitical conflict in Europe resulted in heightened energy prices, hyperinflation and interest rate hikes in several major markets (i.e. the USA and Europe) which impacted consumer purchasing power and overall economic growth. Meanwhile, Asian economy has also been affected by the prolonged lockdown in China as part of local stringent zero COVID policy. Furthermore, during H2/2022, several manufacturing factories in major cities in China have gone through temporarily closure as a result of limited mobility, which disrupted the supply chain and led to a slowdown in Chinese and regional economy.

Amidst abovementioned macro-economic factors, SCGP continued to pursue business expansions with proactive cost management to cope with uncertainties while also deliver values through innovative products and services which meet customers' requirements and strengthening position as a leader in integrated packaging solutions in ASEAN. Moreover, SCGP has placed ESG as a fundamental for all business operations while continued to execute the plan toward Net Zero GHG emission target by 2050. For SCGP's 2022 performance, total revenue from sales recorded at Baht 146,068 million, increased 18% YoY supported by business growth through both Merger & Partnership (M&P) and organic expansion as well as product price adjustment to align with the rise in costs. EBITDA reported at Baht 19,402 million, decreased by 8% YoY with EBITDA margin 13%. Profit for the year was Baht 5,801 million, decreased by 30% YoY with net profit margin of 4% amidst heightened energy cost, hyperinflation and contraction of packaging paper sales volume in the midst of weakened global and regional demand (Net profit in Q4/2021 included the adjustment of Go-pak's earn-out provision).

## Business Expansions to fulfil Growing Consumer Demand

SCGP proceeded on building a continuous growth with merger and partnership (M&P) which enables synergy creation with business partners along with organic expansion to increase production capacity and solution offerings to customers. Both approaches were executed in multiple countries including Vietnam, the Philippines, Thailand, the Netherlands and the USA with details as follow:

### Integrated Packaging Business (IPB)

- **The Philippines** - Production capacity expansion of packaging paper was completed. The project has strengthened market leading position while supported long-term growth of domestic demand.
- **Thailand** – Organic expansion of corrugated container operation to serve Thailand's growing demand with the latest available technology of production and printing capabilities including robotic, automation and attractive printing application. With the project location at the center of customers' production base, this expansion would support the growing purchase orders from customers while enable improvement in logistic cost competitiveness.

Additionally, SCGP has recently disclosed the expansion of its consumer and performance packaging business under Prepack Thailand Co., Ltd. (Prepack) before the end of 2022. This expansion has been carried out via an acquisition of flexible packaging assets from Cyberprint Group Co., Ltd. (Cyber), a multi-type printing and packaging service provider in Thailand. This project not only increases Prepack's production capacity by 12% but also enhance customer network with Cyber's fast growing customer segments in pet food and health supplement products. The additional capacity also enables SCGP to fulfill the growing needs of customer related to on-the-go urban lifestyles.

- **Vietnam** – SCGP has begun its investment in a new production base in Northern Vietnam under Vina Kraft Paper Co., Ltd. (VKPC) to serve the growing domestic demand of packaging paper, export-oriented industries and rise in foreign direct investment.



### Fibrous Business (FB)

**Thailand and Vietnam** – SCGP has expanded production capacity for foodservice packaging from paper and natural pulp to meet growing regional and international customer, demand as global consumers increasingly adopt more usage of delivery services and takeaway foods. This project also supports the Company's strategic direction toward more sustainable packaging.

### Recycling Business (RB)

- **The Netherlands** – Completed M&P of 100.0% stake in Peute Recycling B.V. (Peute), the largest independent packaging materials recycling and trading company of recovered paper and plastic in the Netherlands. This transaction allows SCGP to expand into the rapidly growing international packaging materials recycling business while also be an important pillar for SCGP's long-term strategic direction to strengthen all levels of packaging business from strategic raw material source, production, through to the integrated packaging solution.
- **The USA** – Completed M&P of 90.1% stake in Jordan Trading Inc. (Jordan), an established recovered paper (RCP) trader with sourcing networks that largely span from Mid to East coast of the USA, the largest exporter of high-quality RCP. Along with Peute, the addition of Jordan would enhance SCGP's sourcing capabilities from international network of recovered materials sources. This transaction also augments the Company with direct access to the source of high-quality American Old Corrugated Containers (AOCC), which is the key raw material that adds premium strength to packaging paper and fiber packaging production.

**Table 1 – SCGP's Consolidated Financial Statements**

	Year		% y-o-y
	2022	2021	
<b>Operating Results from Consolidated Financial Statements</b>			
Revenue from Sales	146,068	124,223	18%
Integrated Packaging Business	117,219	105,563	11%
Fibrous Business	24,273	18,660	30%
Recycling Business and Others	4,576	-	n.a.
Cost of Sales	121,791	101,345	20%
Gross Profit	24,277	22,878	6%
<i>Gross Profit Margin (%)</i>	17%	18%	
Distribution Costs and Administrative Expenses	16,039	12,575	28%
EBITDA	19,402	21,150	-8%
<i>EBITDA Margin (%)</i>	13%	17%	
Profit for the year	5,801	8,294	-30%
<i>Net Profit Margin (%)</i>	4%	7%	
Earnings per Share (Baht)	1.35	1.93	
<b>Core Financials</b>			
Core EBITDA	19,240	20,337	-5%
Core Profit	5,768	7,444	-23%

## Notes :

Revenue from sales by business = Revenue from sales after inter-segment elimination basis

EBITDA = Earnings before finance cost, tax, depreciation &amp; amortization (excluded dividend from associates and included FX gain/loss from loans)

In 2022 and 2021, Dividend from associates were Baht 11 million and Baht 14 million, respectively.

Profit for the year = Profit for the year attributable to owners of the Company

**Operations Overview by Business****Integrated Packaging Business (IPB)**

In 2022, IPB revenue from sales recorded at Baht 117,524 million (before inter-segment elimination), increased by 11% YoY. The increase was due to full-year financial consolidation of M&Ps which were completed in 2021 (Duytan, Intan Group and Deltalab) and the ramp-up of new packaging paper plant in the Philippines (UPPC3) as well as product price adjustment amidst higher production costs. EBITDA reported at Baht 14,729 million, decreased by 8% YoY with EBITDA margin of 13%. Profit for the year was Baht 4,505 million, decreased by 24% YoY. The decrease in profitability was mainly due to lower sales volume particularly in packaging paper operation

and the rise in energy costs across industries as well as the increase in depreciation and amortization expenses from commercial start-up of expansion projects during the year and M&Ps.

**Fibrous Business (FB)**

In 2022, FB revenue from sales recorded at Baht 26,928 million (before inter-segment elimination), increased by 30% YoY attributed to the improved demand for printing & writing paper and foodservice packaging in line with the recovery of economic activities from the improved COVID-19 pandemic situation. Revenue growth was also driven by capacity expansion of pressboard foodservice packaging in Thailand & Vietnam as well as the increase in product price in all categories especially pulp price.

EBITDA was recorded at Baht 4,066 million, decreased by 10% YoY with EBITDA margin of 15%. Profit for the year was Baht 1,245 million, decreased by 40% YoY as EBITDA and profit in 2021 were inclusive of non-operating item adjustment related to Go-pak's earn-out provision. Without this earn-out adjustment, EBITDA of FB would increase by 22% YoY with main support from foodservice packaging expansion and improved pulp and paper price.

### Recycling Business (RB)

In 2022, SCGP invested in RB, including M&P with Peute Recycling B.V. (Peute), the Netherland and Jordan Trading Inc. (Jordan), the USA. The consolidation of financial performance of both companies started from July and September 2022 respectively. RB revenue from sales recorded at Baht 4,814 million (before inter-segment elimination) with adjustment of product price to be in line with costs, based on the balance of supply and demand in the market. Additionally, freight costs continued to improve throughout the second half of 2022.

**Table 2 – Operating Results by Business Segment**

Unit : Baht Million

	Year		
	2022	2021	% y-o-y
<b>Revenue from Sales</b>			
<b>Consolidated SCGP</b>	<b>146,068</b>	<b>124,223</b>	<b>18%</b>
Integrated Packaging Business	117,524	105,834	11%
Fibrous Business	26,928	20,656	30%
Recycling Business and Others	4,814	-	n.a.
Intersegment Elimination	(3,198)	(2,267)	-41%
<b>EBITDA</b>			
<b>Consolidated SCGP</b>	<b>19,402</b>	<b>21,150</b>	<b>-8%</b>
Integrated Packaging Business	14,729	16,078	-8%
Fibrous Business	4,066	4,526	-10%
Recycling Business and Others	4,386	4,897	-10%
Intersegment Elimination	(3,779)	(4,351)	13%
<b>EBITDA margins (%)</b>			
<b>Consolidated SCGP</b>	<b>13%</b>	<b>17%</b>	
Integrated Packaging Business	13%	15%	
Fibrous Business	15%	22%	
<b>Profit for the year</b>			
<b>Consolidated SCGP</b>	<b>5,801</b>	<b>8,294</b>	<b>-30%</b>
Integrated Packaging Business	4,505	5,913	-24%
Fibrous Business	1,245	2,084	-40%
Recycling Business and Others	3,674	4,318	-15%
Intersegment Elimination	(3,623)	(4,021)	10%

Notes :

EBITDA = Earnings before finance cost, tax, depreciation and amortization (excluded dividend from associates and included FX gain/loss from loans)

EBITDA margins = EBITDA / Revenue from Sales

Profit for the year = Profit for the year attributable to owners of the Company

Consolidated SCGP's financial statement is presented after the intersegment elimination.

## Cost of sales

In 2022, SCGP's cost of sales was Baht 121,791 million (+20% YoY), comprising of integrated packaging business (IPB) of Baht 98,865 million (+14% YoY), fibrous business (FB) of Baht 22,671 million (+32% YoY) and recycling business & others of Baht 3,622 million. The increase in cost of sales was mainly from the consolidation of new M&P companies, the completion of organic expansions and the rise in energy costs. Nonetheless, raw material prices and freight costs continued to improve since Q2/2022.

In the midst of YoY rise in costs, SCGP proactively managed cost to cope with various uncertainties and continued to efficiently deliver products and services to customers.

Meanwhile, the Company enhanced supply chain stability to fulfill customers' needs and requirements through a diversified sourcing models of key raw materials (RCP), which include 81 recycling stations across Thailand, Vietnam, the Philippines and Indonesia, direct collection from primary sources and local suppliers as well as various import sources from the USA, Europe, Japan and Oceania. In addition, the entrance into packaging materials recycling business would strengthen company's value chain from raw material sources to the integrated packaging solutions. Importantly, SCGP has a clear roadmap to increase alternative energy (AF)'s portion (i.e. biomass, biogas) for sustainable business growth with current AF portion at 30.6% of total energy sources, from 27.3% at the end of 2021.

**Table 3 – Cost of Sales Classified by Business Segment**

Unit : Baht Million

	Year				
	2022	%	2021	%	% y-o-y
Integrated Packaging Business	98,865	81	86,724	86	14%
Fibrous Business	22,671	19	17,153	17	32%
Recycling Business and Others	3,622	3	-	-	n.a.
Intersegment Elimination	(3,367)	(3)	(2,532)	(3)	33%
<b>Consolidated SCGP</b>	<b>121,791</b>	<b>100</b>	<b>101,345</b>	<b>100</b>	<b>20%</b>

## Distribution costs and administrative expenses

In 2022, Distribution costs were Baht 9,351 million, increased by 37% YoY. This was due mainly to business expansion (M&P) as well as an increase in freight and transportation costs. In addition, the administrative expenses were Baht 6,688 million, increased by 16% YoY also attributed to the business expansion and related expenses.

## Summary of Consolidated Statement of Financial Position as of December 31, 2022

**Total assets** were Baht 197,280 million, a decrease of Baht 9,544 million or 5% from the previous year. This was mainly from the retirement of short-term investment of Baht 12,000 million to repay short-term bank loan along with to invest in M&P projects.

Meanwhile, during 2022, incremental assets came from the consolidation of recycling business (Peute & Jordan) which led to the increase in fair value and goodwill of approximately Baht 2,784 million. SCGP's assets consisted of property, plant and equipment 48%, current assets 30% and non-current assets 22%.

- **Current assets** were Baht 60,154 million, decreased by 13% from the previous year which largely comprised of cash and cash equivalents, trade and other current receivables and inventories.

- **Cash and cash equivalents and investments in short-term debt instruments** were Baht 12,344 million, a decrease of Baht 7,878 million or 39% from the previous year mainly due to the retirement of short-term investments to repay short-term bank loan and invest in M&P projects.

- Trade and other current receivables** were Baht 23,254 million, a decrease of Baht 1,656 million or 7% from the previous year, mainly attributed to lower sales volume. As of 31 December 2022, SCGP's total trade receivables were Baht 20,451 million which netting allowance for expected credit loss of Baht 180 million. SCGP's normal credit term is 30-90 days as disclosed in notes to the financial statements "Trade receivables" in the 2022 Financial Statements.

- Inventories** were Baht 23,281 million, similar to the previous year. The inventories mainly consisted of finished goods, goods-in-process, raw materials, spare parts, stores supplies, and goods in transit. In 2022, SCGP has no significant deteriorated or obsolete inventories as disclosed in notes to the financial statements "Inventories" in the 2022 Financial Statements.
- Non-current assets** mainly consist of property, plant and equipment, Goodwill and other intangible assets.
- Property, plant and equipment** were Baht 94,585 million, a decrease of Baht 2,596 million or 3% from the previous year. Under construction projects and capital expenditures was accounted for Baht 6,862 million.

**Total liabilities** were Baht 74,313 million, a decrease of Baht 10,211 million or 12% from the previous year. Major portion consists of loans from financial institutions, debentures and trade and other current payables.

- Trade and other current payables** were Baht 14,282 million, a decrease of Baht 979 million or 6% from the previous year.

- Loans** were Baht 50,169 million, a decrease of Baht 6,602 million or 12% from the previous year as a result of the repayment of loans from financial institutions of Baht 16,600 million. Additionally, there was an increase in borrowing from debentures issuance Baht 10,000 million (No.1/2022, Baht 5,000 million with maturity of 2 years 10 months, fixed interest rate at 2.8% per annum and No.2/2022, Baht 5,000 million with maturity of 4 years, fixed interest rate at 3.5% per annum).

**Total shareholders' equity** were Baht 122,967 million, an increase of Baht 667 million or 1% from the previous year. The change was mainly attributed to profit for the year of Baht 6,739 million, while the decrease was from dividend payment of Baht 3,612 million, along with Baht 2,803 million of foreign exchange differences.

**Table 4 – Summary of SCGP's Consolidated Statement of Financial Position**

Unit : Baht Million

	Year		Change	
	2022	2021	Baht Million	% y-o-y
<b>Total Assets</b>	<b>197,280</b>	<b>206,824</b>	<b>(9,544)</b>	<b>-5%</b>
Current assets	60,154	69,186	(9,032)	-13%
Cash and cash equivalents	9,966	7,310	2,656	36%
Investments in short-term debt instruments	2,378	12,912	(10,534)	-82%
Trade and other current receivables	23,254	24,910	(1,656)	-7%
Inventories	23,281	23,308	(27)	0%
Investments in associates	1,034	873	161	18%
Property, plant and equipment	94,585	97,181	(2,596)	-3%
Goodwill	28,233	29,483	(1,250)	-4%
Other intangible assets	10,574	7,750	2,824	36%
<b>Total Liabilities</b>	<b>74,313</b>	<b>84,524</b>	<b>(10,211)</b>	<b>-12%</b>
Trade and other current payables	14,282	15,261	(979)	-6%
Loans	50,169	56,771	(6,602)	-12%
<b>Total Shareholders' Equity</b>	<b>122,967</b>	<b>122,300</b>	<b>667</b>	<b>1%</b>
Total equity attributable to owners of the Company	97,201	96,837	364	0%
Non-controlling interests	25,766	25,463	303	1%

**Table 5 – SCGP's Net Debt**

Unit : Baht Million

	Year		Change	
	2022	2021	Baht Million	% y-o-y
<b>Short Term Loans</b>	<b>16,155</b>	<b>30,547</b>	<b>(14,392)</b>	<b>-47%</b>
Foreign	12,988	12,711	277	2%
Baht	3,167	17,836	(14,669)	-82%
% of Total Loans	32%	54%		
<b>Long Term Loans</b>	<b>34,014</b>	<b>26,224</b>	<b>7,790</b>	<b>30%</b>
Foreign	7,407	9,706	(2,299)	-24%
Baht	26,607	16,518	10,089	61%
% of Total Loans	68%	46%		
<b>Total Loans</b>	<b>50,169</b>	<b>56,771</b>	<b>(6,602)</b>	<b>-12%</b>
Average cost of debt (%)	2.7%	2.3%		
<b>Cash &amp; Cash Under Management</b>	<b>12,347</b>	<b>20,242</b>	<b>(7,895)</b>	<b>-39%</b>
Cash and cash equivalents	9,966	7,310	2,656	36%
Investments in debt instruments	2,381	12,932	(10,551)	-82%
<b>Net Debt</b>	<b>37,822</b>	<b>36,529</b>	<b>1,293</b>	<b>4%</b>

## Explanation of Key Financial Ratios for the Year 2022

### Liquidity ratio

In 2022, the current ratio was 1.8 times and quick ratio was 1.0 time, higher from the previous year mainly due to the decrease of total debt. The Company has prudently managed cash flow, trade receivable, trade payables, and inventories to reduce liquidity risk during volatile economic environment while laid out the foundation for efficient business expansions in the future.

### Profitability ratio

SCGP's gross profit margin was 17% compared to 18% in the previous year. EBITDA margin decreased to 13% compared to 17% from last year, due to impacts of heightened energy cost and contraction of packaging paper sales volume in the midst of weakened global and regional demand. The Company's net profit margin was at 4%, compared to 7% in the previous year.

### Efficiency ratio

SCGP's return on total assets was 3% compared to 5% in the previous year. The return on fixed assets was at 16% compared to 19% in the previous year.

### Financial leverage ratio

SCGP had a debt to equity ratio of 0.6 times, a slight decrease from the previous year, with net debt to EBITDA ratio of 1.9 times compared to 1.7 times from the previous year, and an interest-bearing debt to equity ratio of 0.4 times, a slight decrease from the previous year.

## Summary of Consolidated Statement of Cash Flows for the Year Ended 31 December 2022

**Net cash flows provided by operating activities** in 2022 of SCGP amounted to Baht 17,234 million including the operating cash flows of Baht 18,996 million and tax payment of Baht 1,762 million. Cash flows generated from operations were comprised of profit for the year adjusted by items such as depreciation and amortization, tax expense, and change in operating assets and liabilities.

**Net cash flows used in investing activities** amounted to Baht 3,119 million with main components from the M&P investments of Baht 7,026 million and other capital expenditure of Baht 7,186 million while netting with the proceeds from short-term investments of Baht 10,764 million.

**Net cash flows used in financing activities** amounted to Baht 11,602 million from a decrease in net borrowings of Baht 7,253 million, dividend payment Baht 3,612 million and interest & other finance costs payment amounted to Baht 1,387 million.

**Table 6 – SCGP's Summary of Consolidated Statement of Cash Flows**

Unit : Baht Million

	Year		
	2022	2021	Change
Cash flows from operating activities	17,234	7,501	9,733
Cash flows from investing activities	(3,119)	(30,996)	27,877
Cash flows from financing activities	(11,602)	(1,042)	(10,560)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,513</b>	<b>(24,537)</b>	<b>27,050</b>
<b>Free cash flows</b>	<b>10,048</b>	<b>1,086</b>	<b>8,962</b>

## Liquidity and Capital Management

SCGP's capability to procure cash which is obtained from operations depends on future performance, along with general economic factors, financial factors, marketing factors, regulatory factors, and other factors, the details of which are identified under the Section "Risks factor" in this annual report. However, such factors are beyond the Company's control. Regarding the Company's cash flows, liquidity ratios and sources of capitals (including cash and cash equivalents, cash from operating activities, and existing bank loans), SCGP ensures that it has sufficient liquidity to support business operations and ability to pay debts while comply with loan terms and conditions. The Company also poses a capability to procure additional sources of funds.

## CAPEX & Investment

At the end of 2022, SCGP has 4 ongoing organic expansion projects. These projects are in Thailand, the Netherlands and Vietnam with details as follows;

**1. Thailand (Fiber packaging, Samutprakan and Samutsakorn) -** Organic expansion of corrugated containers operation to serve Thailand's growing demand with the latest available technology of production and printing capabilities. The project will add 75,000 tons per year of production capacity, which equal to 9% of total capacity in Thailand, with investment size of Baht 2,450 million and expected commercial start-up in the first quarter of 2024.

The structural work of the project including piling has been completed while the construction and installation of machinery are ongoing.

**2. Thailand (Flexible packaging, Samutsakorn) –**

An acquisition of customer network and flexible packaging asset from Cyberprint group Co., Ltd. (Cyber), whose customers are concentrated in fast-growing segments (i.e. pet food, health supplement). The investment will add flexible packaging capacity of 52 million square meters per year or an increase of 12% from existing capacity. Half of additional capacity comes from Cyber's existing flexible packaging capacity and can be integrated into Prepack's operation in the first quarter of 2023. Another half will be from capacity expansion project with expected commercial start-up in the fourth quarter of 2023. The capital expenditure of this investment is included in total investment of Baht 450 million.

**3. The Netherlands (Packaging materials recycling, Albllasserdam) –**

A facility relocation project from Dordrecht to Albllasserdam nearby Rotterdam port. This project will help improve transportation efficiency and double the processing capacity of recovered paper (RCP) to 2 million tons per year and recovered plastic to 0.2 million tons per year. Currently, structural work of the project including office building and sorting facility are ongoing with expected start-up in the fourth quarter of 2023.

**4. Vietnam (Packaging paper, North Vietnam) –**

A new production base in the northern region of Vietnam under Vina Kraft Paper Co., Ltd. (VKPC) will

support the packaging market growth driven by rising demand of industrial & export sectors, and surge in FDI as a result of investment promotion policy. This project will add packaging paper capacity of 370,000 tons per year or an increase of 75% from existing capacity with capital expenditures amounted to Baht 11,793 million. Commercial start-up of the project is expected in 2025. Environmental Impact Assessment (EIA) approval and land preparation are on process.

Most of SCGP's capital expenditure are for capacity expansion, maintenance of plant & equipment, regular improvements of production process as well as to continuously reduce cost. SCGP also focuses on business expansion and implementation of measures to improve operational efficiency along with continuous development of innovation and sustainability.

**Table 7 – SCGP's CAPEX & Investment**

Unit : Baht Million

	Year		
	2022	2021	2020
Merger and Partnership	7,417	16,229	2,700
Machine Maintenance	2,520	2,768	2,924
Expansion	1,765	1,653	3,195
Cost Optimization and Sustainability	1,459	1,040	962
Greenfield	-	32	36
Debottlenecking	407	468	401
Others <sup>(1)</sup>	1,035	454	208
<b>Total CAPEX &amp; Investment</b>	<b>14,603</b>	<b>22,644</b>	<b>10,426</b>

Remarks : <sup>(1)</sup> 'Others' means capital expenditures related to other projects in all businesses of the Company, such as the cost of replacing machinery that does not increase productivity, automation that improves the quality of the production process or the productivity, or the acquisition of land.

In 2022, the capital expenditures associated with SCGP's expansion projects were mainly related to incremental production capacity of its packaging paper, fiber packaging, consumer and performance packaging, foodservice packaging and packaging materials recycling businesses following strategy to reinforce business integration (both vertical and horizontal). The expected 2023 CAPEX & Investment is approximated at Baht 18,000 million, with focus on the expansion of packaging business in growing markets & segments across ASEAN and beyond to strengthen leading position as consumers' solutions provider.

### **Factors that may significantly affect the Company's future operations or financial statements and related risk management**

The economic volatility in the past year has resulted into both challenges and opportunities in 2023. ASEAN economy are heading toward a continued recovery supported by improved momentum in tourism, commerce, and services

sectors especially after China's reopening. Demand of essential goods, such as food & beverage, along with frozen & processed and pet food, are expected to grow continuously. Furthermore, supply chain disruption related to the shortage of intermediate parts, as a result of locked-down policy in China in 2022, is looking to be eased. Nonetheless, improvement in ASEAN economies and manufacturing activities are likely to be gradual with the pending on & off bottlenecks in regional supply chain while clear sign of recovery should be observed from the third quarter of 2023 onward. Apart from an improved domestic consumption, exporting sector would remain under pressure amidst broad-based weakening of purchasing power and household spending, particularly on durable and non-essential goods, as a result of protracted high inflation and interest rate hikes especially in North America and Europe.

In relation to cost factor, global energy cost is expected to remain at high level in the midst of the prolonged geopolitical conflict in Europe, meanwhile freight rate has been continuously declining since the second half

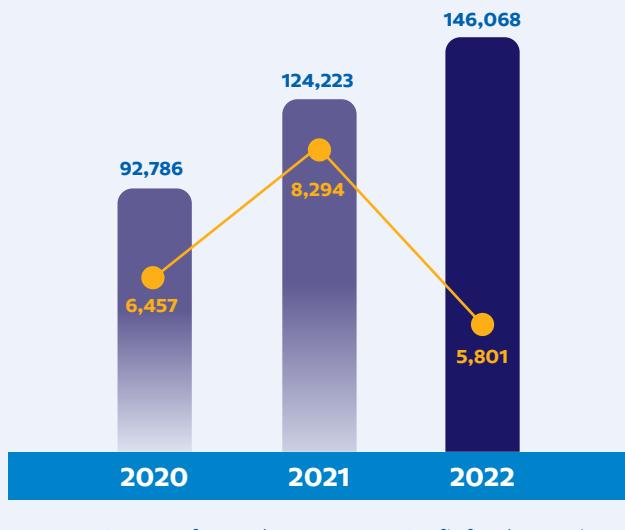


of 2022 with normalization of container's availability. Raw material costs especially recovered paper (RCP), were in the downturn during H2/2022 with improvement in supply chain bottleneck, and will be subjected to the rebalance of regional demand & supply going forward. Furthermore, the volatilities from changes in foreign exchange and interest rate are looking to be extended throughout 2023.

Under the shift of economic situations and environments, SCGP continues to pursue growth with quality. The Company aims to prioritize business expansion on integration-enhancing M&Ps to uplift competitive advantage throughout the value chain, while also expedite and strengthen fast growing product segments (i.e. Healthcare & Medical supplies, Bio-solutions and Recycling). Relentless efforts to augment margin are carried out through synergy extractions across packaging products, value-accretive innovation & solution offerings to customers, along with the continuous pursuit of cost saving via energy optimization and automation.

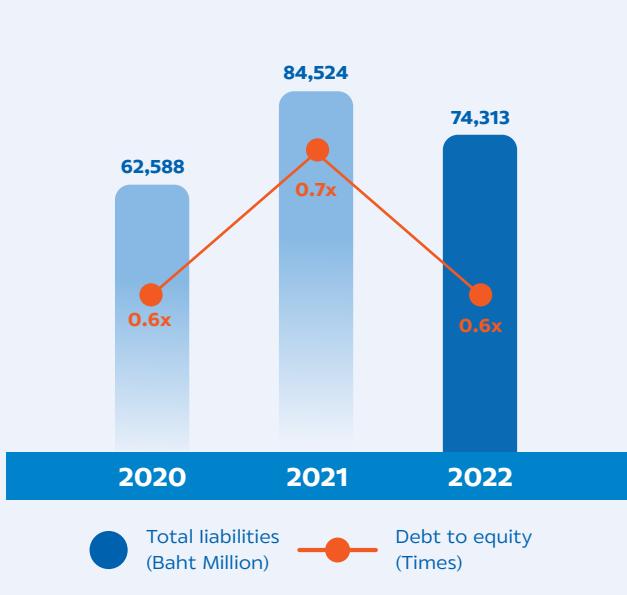
Additionally, SCGP operates with attentive consideration on the environment following the SCG ESG Pathway, corresponding with company's vision as "a leading multinational consumer packaging solutions provider through innovative and sustainable offerings". Clear targets and timeframes are in place as part of the execution plan to improve volume proportion of packaging products which are Recyclable, Reusable or Compostable to 100% by 2025 (currently at 99.7%) along with the transition packaging products along with the transition of energy sources toward renewable and alternative energies as part of Net Zero GHG emission target by 2050.

### Revenue from sales and Profit for the year



● Revenue from sales (Baht Million)     ● Profit for the year\* (Baht Million)

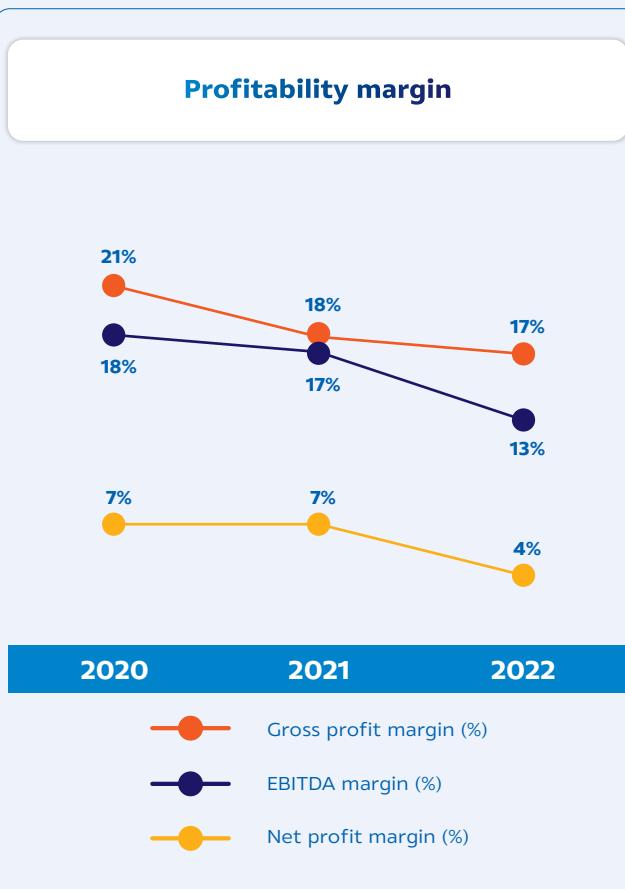
### Total liabilities and Debt to equity ratio



● Total liabilities (Baht Million)     ● Debt to equity (Times)

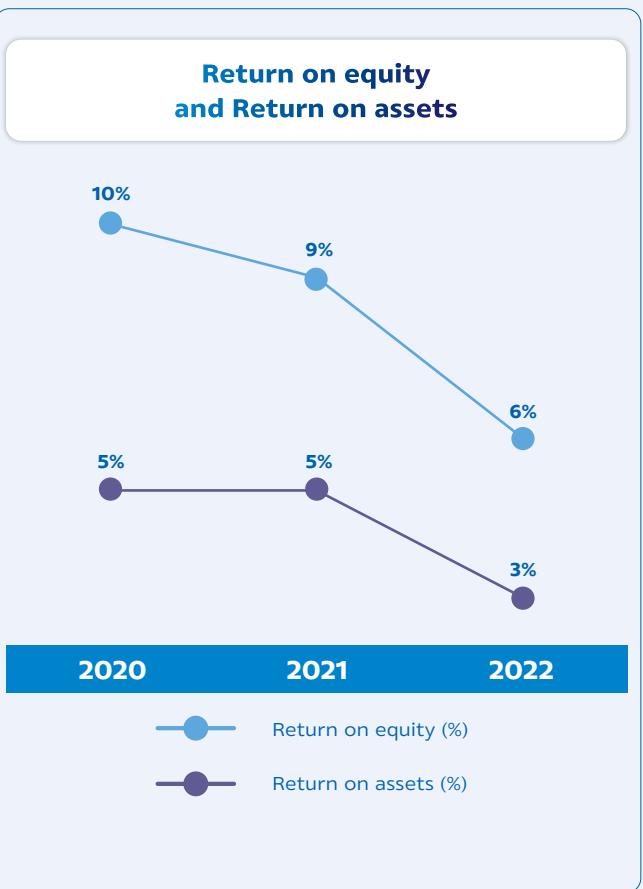
\*Attributable to owners of the Company

### Profitability margin



—●— Gross profit margin (%)  
—●— EBITDA margin (%)  
—●— Net profit margin (%)

### Return on equity and Return on assets



—●— Return on equity (%)  
—●— Return on assets (%)

**Summary of Financial Information (compared to the past 3 years)****SCG Packaging Public Company Limited and its Subsidiaries  
Consolidated statement of financial position**

As at 31 December 2022, 2021 and 2020

Unit : Baht Million

<b>Assets</b>	<b>2022</b>	<b>%</b>	<b>2021</b>	<b>%</b>	<b>2020</b>	<b>%</b>
<b>Current assets</b>						
Cash and cash equivalents	9,966	5.1	7,310	3.5	31,256	18.1
Investments in short-term debt instruments	2,378	1.2	12,912	6.2	1,630	0.9
Trade and other current receivables	23,254	11.8	24,910	12.0	16,334	9.5
Advance payment for assets	813	0.4	571	0.3	807	0.5
Inventories	23,281	11.8	23,308	11.3	12,760	7.4
Other current assets	462	0.2	175	0.1	132	0.1
<b>Total current assets</b>	<b>60,154</b>	<b>30.5</b>	<b>69,186</b>	<b>33.4</b>	<b>62,919</b>	<b>36.5</b>
<b>Non-current assets</b>						
Investments in associates	1,034	0.5	873	0.4	823	0.5
Other non-current receivables	742	0.4	741	0.4	603	0.3
Investment property	142	0.1	138	0.1	144	0.1
Property, plant and equipment	94,585	47.9	97,181	47.0	87,271	50.6
Goodwill	28,233	14.3	29,483	14.3	18,624	10.8
Other intangible assets	10,574	5.4	7,750	3.7	813	0.5
Deferred tax assets	852	0.4	921	0.4	972	0.6
Others non-current assets	964	0.5	551	0.3	260	0.1
<b>Total non-current assets</b>	<b>137,126</b>	<b>69.5</b>	<b>137,638</b>	<b>66.6</b>	<b>109,510</b>	<b>63.5</b>
<b>Total assets</b>	<b>197,280</b>	<b>100.0</b>	<b>206,824</b>	<b>100.0</b>	<b>172,429</b>	<b>100.0</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated statement of financial position**

As at 31 December 2022, 2021 and 2020

Unit : Baht Million

<b>Liabilities and shareholders' equity</b>	<b>2022</b>	<b>%</b>	<b>2021</b>	<b>%</b>	<b>2020</b>	<b>%</b>
<b>Current liabilities</b>						
Bank overdrafts and short-term borrowings from financial institutions	16,155	8.2	30,547	14.8	15,080	8.7
Trade and other current payables	14,282	7.2	15,261	7.4	10,365	6.0
Current portion of long-term borrowings from financial institutions	1,571	0.8	1,865	0.9	16,302	9.5
Current portion of lease liabilities	587	0.3	477	0.2	427	0.3
Corporate income tax payable	573	0.3	609	0.3	888	0.5
Other current liabilities	311	0.2	3,217	1.6	175	0.1
<b>Total current liabilities</b>	<b>33,479</b>	<b>17.0</b>	<b>51,976</b>	<b>25.2</b>	<b>43,237</b>	<b>25.1</b>
<b>Non-current liabilities</b>						
Long-term borrowings from financial institutions	14,450	7.3	16,671	8.1	12,052	7.0
Lease liabilities	1,921	1.0	1,718	0.8	1,067	0.6
Debentures	15,485	7.8	5,493	2.7	-	-
Deferred tax liabilities	5,322	2.7	4,492	2.2	2,403	1.4
Non-current provisions for employee benefits	3,596	1.9	3,878	1.8	3,598	2.1
Other non-current liabilities	60	-	296	0.1	231	0.1
<b>Total non-current liabilities</b>	<b>40,834</b>	<b>20.7</b>	<b>32,548</b>	<b>15.7</b>	<b>19,351</b>	<b>11.2</b>
<b>Total liabilities</b>	<b>74,313</b>	<b>37.7</b>	<b>84,524</b>	<b>40.9</b>	<b>62,588</b>	<b>36.3</b>
<b>Shareholders' equity</b>						
Share capital						
Authorized share capital - Ordinary share	<b>4,500</b>		<b>4,500</b>		<b>4,500</b>	
Issued and paid share capital - Ordinary share	4,293	2.2	4,293	2.1	4,293	2.5
Share premium	40,860	20.7	40,860	19.8	40,860	23.7
Other deficits	(1,445)	(0.7)	(1,445)	(0.7)	(448)	(0.3)
Retained earnings						
Appropriated - Legal reserve	450	0.2	450	0.2	338	0.2
- General reserve	3	-	3	-	3	-
Unappropriated	55,270	28.0	52,106	25.1	46,836	27.2
Other components of shareholders' equity	(2,230)	(1.1)	570	0.3	(3,144)	(1.8)
<b>Total equity attributable to owners of the Company</b>	<b>97,201</b>	<b>49.3</b>	<b>96,837</b>	<b>46.8</b>	<b>88,738</b>	<b>51.5</b>
Non-controlling interests	25,766	13.0	25,463	12.3	21,103	12.2
<b>Total shareholders' equity</b>	<b>122,967</b>	<b>62.3</b>	<b>122,300</b>	<b>59.1</b>	<b>109,841</b>	<b>63.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>197,280</b>	<b>100.0</b>	<b>206,824</b>	<b>100.0</b>	<b>172,429</b>	<b>100.0</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated income statement**

For the years ended 31 December 2022, 2021 and 2020

Unit : Baht Million

	<b>2022</b>	<b>%</b>	<b>2021</b>	<b>%</b>	<b>2020</b>	<b>%</b>
Revenue from sales	146,068	100.0	124,223	100.0	92,786	100.0
Cost of sales	(121,791)	(83.4)	(101,345)	(81.6)	(73,333)	(79.0)
<b>Gross profit</b>	<b>24,277</b>	<b>16.6</b>	<b>22,878</b>	<b>18.4</b>	<b>19,453</b>	<b>21.0</b>
Gain on exchange rate	143	0.1	317	0.3	-	-
Other income	1,321	0.9	2,215	1.8	603	0.6
<b>Profit before expenses</b>	<b>25,741</b>	<b>17.6</b>	<b>25,410</b>	<b>20.5</b>	<b>20,056</b>	<b>21.6</b>
Distribution costs	(9,351)	(6.4)	(6,820)	(5.5)	(5,149)	(5.5)
Administrative expenses	(6,688)	(4.6)	(5,755)	(4.6)	(4,992)	(5.4)
Loss on exchange rate	-	-	-	-	(222)	(0.2)
<b>Total expenses</b>	<b>(16,039)</b>	<b>(11.0)</b>	<b>(12,575)</b>	<b>(10.1)</b>	<b>(10,363)</b>	<b>(11.1)</b>
<b>Profit from operations</b>	<b>9,702</b>	<b>6.6</b>	<b>12,835</b>	<b>10.4</b>	<b>9,693</b>	<b>10.5</b>
Finance costs	(1,468)	(0.9)	(1,180)	(0.9)	(1,452)	(1.6)
Share of profit of associates accounted for using equity method	55	-	57	-	66	0.1
<b>Profit before income tax</b>	<b>8,289</b>	<b>5.7</b>	<b>11,712</b>	<b>9.5</b>	<b>8,307</b>	<b>9.0</b>
Tax expense	(1,550)	(1.1)	(2,065)	(1.7)	(1,001)	(1.1)
<b>Profit for the year</b>	<b>6,739</b>	<b>4.6</b>	<b>9,647</b>	<b>7.8</b>	<b>7,306</b>	<b>7.9</b>
Profit attributable to						
Owners of the Company	5,801	4.0	8,294	6.7	6,457	7.0
Non-controlling interests	938	0.6	1,353	1.1	849	0.9
	<b>6,739</b>	<b>4.6</b>	<b>9,647</b>	<b>7.8</b>	<b>7,306</b>	<b>7.9</b>
Basic earnings per share (in Baht) Attributable to owners of the Company	1.35		1.93		1.95	

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated statement of comprehensive income**

For the years ended 31 December 2022, 2021 and 2020

Unit : Baht Million

	2022	2021	2020
<b>Profit for the year</b>	<b>6,739</b>	<b>9,647</b>	<b>7,306</b>
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating financial statement	(3,380)	5,005	(408)
Items that will not be reclassified subsequently to profit or loss			
Gain on investments in equity instruments measured at fair value	5	2	-
Gain (loss) on remeasurements of defined benefit plans	273	137	(159)
Share of other comprehensive income of associates accounted for using equity method	3	8	(4)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(63)	(26)	34
Total items that will not be reclassified subsequently to profit or loss	218	121	(129)
<b>Other comprehensive income for the year, net of tax</b>	<b>(3,162)</b>	<b>5,126</b>	<b>(537)</b>
<b>Total comprehensive income for the year</b>	<b>3,577</b>	<b>14,773</b>	<b>6,769</b>
Total comprehensive income attributable to			
Owners of the Company	3,153	12,100	6,111
Non-controlling interests	424	2,673	658
	<b>3,577</b>	<b>14,773</b>	<b>6,769</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated statement of cash flows**

For the years ended 31 December 2022, 2021 and 2020

Unit : Baht Million

	2022	2021	2020
<b>Cash flows from operating activities</b>			
Profit for the year	6,739	9,647	7,306
<b>Adjustments for</b>			
Tax expense	1,550	2,065	1,001
Depreciation and amortization	9,700	8,315	7,183
Expected credit loss (reversal)	12	(59)	(6)
Loss on inventories devaluation (reversal)	170	90	(35)
Non-current provisions for employee benefit expense	217	370	352
Loss (gain) on foreign currency exchange	(120)	(209)	350
Share of profit of associates accounted for using equity method	(55)	(57)	(66)
Interest income	(197)	(197)	(217)
Finance costs	1,468	1,180	1,387
Loss on impairment of assets (reversal)	(8)	132	-
Loss (gain) on fair value adjustment and others	(153)	(1,405)	3
<b>Cash flows generated from operations before changes in operating assets and liabilities</b>	<b>19,323</b>	<b>19,872</b>	<b>17,258</b>
<b>Decrease (increase) in operating assets</b>			
Trade and other receivables	3,235	(4,903)	(646)
Inventories	(406)	(6,882)	725
Other assets	(148)	(209)	(253)
<b>Net decrease (increase) in operating assets</b>	<b>2,681</b>	<b>(11,994)</b>	<b>(174)</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated statement of cash flows**

For the years ended 31 December 2022, 2021 and 2020

Unit : Baht Million

	2022	2021	2020
<b>Increase (decrease) in operating liabilities</b>			
Trade and other payables	(2,631)	2,224	228
Non-current provisions for employee benefits	(252)	(185)	(281)
Other liabilities	(125)	(169)	186
<b>Net increase (decrease) in operating liabilities</b>	<b>(3,008)</b>	<b>1,870</b>	<b>133</b>
<b>Net cash flows generated from operations</b>	<b>18,996</b>	<b>9,748</b>	<b>17,217</b>
Income tax paid	(1,762)	(2,247)	(1,489)
<b>Net cash flows provided by operating activities</b>	<b>17,234</b>	<b>7,501</b>	<b>15,728</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	(7,026)	(13,779)	(2,708)
Acquisition of interests in associate	(44)	-	-
Proceeds from sale of debt instruments of other entities	12,475	1,407	-
Acquisition of debt instruments of other entities	(1,711)	(12,445)	(481)
Proceeds from sales of property, plant and equipment	167	21	23
Acquisition of property, plant and equipment	(6,862)	(6,191)	(7,568)
Acquisition of intangible assets	(324)	(224)	(158)
Proceeds from short-term loans to related party	-	7	5
Dividends received	11	14	8
Interest received	195	194	207
<b>Net cash flows used in investing activities</b>	<b>(3,119)</b>	<b>(30,996)</b>	<b>(10,672)</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated statement of cash flows**

For the years ended 31 December 2022, 2021 and 2020

Unit : Baht Million

	2022	2021	2020
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	-	-	40,092
Proceeds from changes in ownership interests in subsidiaries that do not result in a loss of control	650	-	2,557
Payments of changes in ownership interests in subsidiaries that do not result in a loss of control	-	(1,410)	(547)
<b>Proceeds from (payments of) borrowings</b>			
Proceeds from (payments of) bank overdrafts and short-term borrowings - net	(14,047)	12,454	7,734
Decrease in short-term borrowing from related parties - net	-	-	(33,826)
Proceeds from long-term borrowings	-	5,000	15,328
Payments of long-term borrowings	(2,580)	(17,335)	(5,652)
Payments of lease liabilities	(626)	(549)	(490)
Proceeds from issuance of debentures	10,000	5,500	-
<b>Net increase (decrease) in borrowings</b>	<b>(7,253)</b>	<b>5,070</b>	<b>(16,906)</b>
<b>Dividends paid</b>			
Dividends paid to owners of the Company	(2,790)	(3,004)	(1,313)
Dividends paid to non-controlling interests	(822)	(518)	(667)
<b>Total dividends paid</b>	<b>(3,612)</b>	<b>(3,522)</b>	<b>(1,980)</b>
Interest and other finance costs paid	(1,387)	(1,180)	(1,426)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(11,602)</b>	<b>(1,042)</b>	<b>21,790</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,513</b>	<b>(24,537)</b>	<b>26,846</b>
Effect of exchange rate changes on cash and cash equivalents	143	591	16
Cash and cash equivalents at beginning of the year	7,310	31,256	4,394
<b>Cash and cash equivalents at end of the year</b>	<b>9,966</b>	<b>7,310</b>	<b>31,256</b>
Supplementary information for cash flows			
Non-cash from investing transactions at end of the year			
Account payables from purchase of assets	609	517	706
Accrued investments	491	3,665	573

**Financial Ratios of SCG Packaging Public Company Limited and its Subsidiaries**

		Consolidated Financial Statements		
		2022	2021	2020
<b>Liquidity Ratio</b>				
Current Ratio	(Times)	1.80	1.33	1.46
Quick Ratio	(Times)	0.98	0.82	1.09
Cash Flow Liquidity	(Times)	0.40	0.16	0.32
Account Receivable Turnover	(Times)	6.76	6.69	6.54
Collection Period	(Days)	54	55	56
Inventory Turnover	(Times)	18.85	22.03	19.25
Inventory Turnover Period	(Days)	19	17	19
Account Payable Turnover	(Times)	10.83	10.48	9.68
Payment Period	(Days)	34	35	38
Cash Cycle	(Days)	39	37	37
<b>Profitability Ratio</b>				
Gross Profit Margin	(%)	16.62	18.42	20.97
EBITDA Margin	(%)	13.28	17.03	18.19
Net Profit Margin	(%)	3.97	6.68	6.96
Return on Equity	(%)	5.98	8.94	9.81
<b>Efficiency Ratio</b>				
Return on Total Assets	(%)	3.34	5.09	4.68
Return on Fixed Assets	(%)	16.28	19.05	16.84
Assets Turnover	(Times)	0.73	0.67	0.60
<b>Financial Policy Ratio</b>				
Debt to Equity	(Times)	0.60	0.69	0.57
Interest-bearing Debt to Equity	(Times)	0.41	0.46	0.41
Interest Coverage Ratio	(Times)	13.22	17.92	11.62
Debt Service Coverage Ratio	(Times)	1.06	0.64	0.53
Interest-bearing Debt to EBITDA	(Times)	2.59	2.68	2.66
Net Debt to EBITDA	(Times)	1.95	1.73	0.71
Dividend Payout Ratio	(%)	44.40	33.64	29.92

**Remarks :**

- 1 Current ratio is calculated by dividing current assets by current liabilities.
- 2 Quick ratio is calculated by dividing cash and cash equivalents, short-term investment and trade accounts receivable by current liabilities.
- 3 Cash flow liquidity ratio is calculated by dividing operating cash flow by average current liabilities.
- 4 Account receivable turnover is calculated by dividing revenue from sales by average trade accounts receivable before allowance for expected credit loss.
- 5 Collection period is calculated by dividing 365 by the account receivable turnover.
- 6 Inventory turnover is calculated by dividing the cost of goods sold by the average finished goods.
- 7 Inventory turnover period is calculated by dividing 365 by the inventory turnover.
- 8 Account payable turnover is calculated by dividing the cost of goods sold by the average trade accounts payable.
- 9 Payment period is calculated by dividing 365 by the account payable turnover.
- 10 Cash cycle is calculated by adding collection period and inventory period minus payment period.
- 11 Gross profit margin is calculated by dividing gross profit by revenue from sales.
- 12 EBITDA margin is calculated by dividing EBITDA by revenue from sales.
- 13 Net profit margin is calculated by dividing profit for the year attributable to owners of the Company by revenue from sales.
- 14 Return on equity is calculated by dividing profit for the year attributable to owners of the Company by the average total equity attributable to owners of the Company.
- 15 Return on total assets is calculated by dividing profit for the year by average total assets.
- 16 Return on fixed assets is calculated by dividing profit for the year and depreciation by average fixed assets.
- 17 Assets turnover is calculated by dividing revenue by average total assets.
- 18 Debt to equity ratio is calculated by dividing total liabilities by total equity.
- 19 Interest-bearing debt to equity is calculated by dividing total interest-bearing debt by total equity.
- 20 Interest coverage ratio is calculated by dividing EBITDA by finance costs.
- 21 Debt Service Coverage Ratio is calculated by dividing EBITDA by the combined total of short-term interest-bearing debt and current portion of long-term interest-bearing debt.
- 22 Interest-bearing debt to EBITDA is calculated by dividing total interest-bearing debt by EBITDA.
- 23 Net debt to EBITDA is calculated by subtracting interest-bearing debt from cash and cash under management and dividing this amount by EBITDA.
- 24 Dividend payout ratio is calculated by dividing dividend payment by profit for the year attributable to owners of the Company.



# **General Information and Other Material Facts**



# General Information and Other Material Facts

## Registrar

Thailand Securities Depository Company Limited  
1<sup>st</sup> Floor, The Stock Exchange of Thailand Building,  
93 Ratchadaphisek Road, Din Daeng, Bangkok 10400  
Tel: +66 2009 9999 Fax: +66 2009 9991

## Registrar of Debenture (SCGP24DA and SCGP26DA)

Bank of Ayudhya Public Company Limited  
1222 Rama III Road Bang Phongphang, Yannawa, Sathorn,  
Bangkok 10120  
Tel: +66 2296 2030 or +66 2296 2796 or +66 2296 4788

## Registrar of Digital Debenture (SCGP256A)

Krungthai Bank Public Company Limited  
Head Office, 35 Sukhumvit Road, Klong Toey Nua Subdistrict,  
Wattana District, Bangkok 10110, Thailand  
Tel +66 2298 0821-30

## Auditor

KPMG Phoomchai Audit Ltd.  
By Mr. Vairoj Jindamaneepitak (Certified Public Accountant  
Registration No. 3565); or  
Ms. Pornthip Rimdusit (Certified Public Accountant  
Registration No. 5565); or  
Ms. Dussanee Yimsuwan (Certified Public Accountant  
Registration No. 10235)  
50<sup>th</sup> Floor, Empire Tower, 1 South Sathorn Road,  
Yannawa, Sathorn, Bangkok 10120  
Tel +66 2677 2000

## Debenture Holders' Representative (SCGP24DA)

Bangkok Bank Public Company Limited  
Securities Service Department  
333 Silom Road, Bang Rak, Bangkok, 10500  
Tel: +66 2230 1894

## Debenture Holders' Representative (SCGP26DA)

Bank of Ayudhya Public Company Limited  
Securities Services Marketing Department 1222 Rama III Rd,  
Bang Phong Phang, Yan Nawa, Bangkok, 10120  
Tel: +66 2296 4808 or +66 2296 5557  
or +66 2296 2000 ext. 50544

## Digital Debenture Holders' Representative (SCGP256A)

Krungthai Bank Public Company Limited  
Capital Market Service Department  
977/2 SM Tower, 3<sup>rd</sup> Floor, Phahonyothin Road, Phaya Thai  
Subdistrict, Phaya Thai District, Bangkok 10400  
Tel: +66 2298 0828 ext. 111

## Legal Advisor

SCG Legal Counsel Limited  
1 Siam Cement Road, Bangsue, Bangkok 10800  
Tel: +66 2586 5777 or +66 2586 5888 Fax: +66 2586 2976

## Legal Disputes

As of 31 December 2022, SCGP and its subsidiaries were not involved in any litigation or legal action, and were not a party in any dispute that was not yet resolved, that SCGP believed could negatively impact the assets of SCGP and its subsidiaries at an amount higher than 5% of shareholders' equity presented in the consolidated financial statements as of 31 December 2022, or that could significantly affect business operations of SCGP or its subsidiaries. However, the amount could be determined; and they were not involved in any other cases that were outside normal business operations by the Company and its subsidiaries. However, they may occasionally be involved in legal proceedings or be a party in litigation related to normal business operations of SCGP and its subsidiaries.

## Secondary Market

SCGP does not register its debenture for trading in any secondary market. Investors can buy or sell debentures at securities companies or any juristic person who has a debt instrument trading license.

## Financial Institutions (For Debt Instruments)

The Siam Commercial Bank Public Company Limited  
Kasikornbank Public Company Limited  
Bangkok Bank Public Company Limited  
Krungthai Bank Public Company Limited  
Bank of Ayudhya Public Company Limited

# Corporate Governance



# Corporate Governance

## Corporate Governance Policy

As part of its business policy, the Board of Directors has established SCG Packaging's Corporate Governance Policy. The Corporate Governance and Nomination Committee is responsible for governing and supervising corporate governance.



The Board of Directors, executives and employees see that their roles, duties and responsibilities are to increase SCGP's competitiveness and build trust among shareholders, investors, and other related parties. The Board, performing its leadership roles, has adopted the Corporate Governance Code (CG Code) recommended by the Office of the Securities and Exchange Commission for listed companies in 2017 and applied it to SCGP's business context to ensure sustainable benefit and value for SCGP. The Board also determined that an agenda to review SCGP's corporate governance policies and charters should be considered at least once a year, to maximize

the efficiency and raise the standard of SCGP's corporate governance to be in line with the CG Code and other local and international good practices regularly. Furthermore, the performance appraisal of the Board of Directors must be carried out under the CG Code principle.

This chapter explains SCGP's corporate governance under three main topics: 1) Overview of Corporate Governance Policies and Practices, 2) Code of Conduct, and 3) Significant Changes and Developments in the Policies, Practice and the Corporate Governance System in the past year.

## Overview of Corporate Governance Policies and Practices

The Board of Directors has established policies related to corporate governance and SCG Packaging's Code of Conduct to be corresponding to SCGP's visions of sustainable business operation and published in the SCG Packaging's Corporate Governance Handbook, which are intended to be clearly understood and implemented by the Board of Directors, executives and employees in the same manner, whether within SCGP or its subsidiaries in Thailand and abroad. The contents of the Corporate Governance Handbook are as follows:

Corporate Governance Handbook			
Part 1: SCG Packaging's Structure and Mechanisms for Corporate Governance			
1.1	SCG Packaging's Core Values	1.3*	SCG Packaging's Corporate Governance Structure
1.2*	SCG Packaging's Code of Conduct	1.4	SCG Packaging's Corporate Governance Policy
Part 2: SCG Packaging's Corporate Governance Policies and Guidelines			
2.1 Policies and Guidelines for Directors and Executives			
2.1.1	Charter of the Board of Directors	2.1.7	Independent Director's Qualifications
2.1.2*	Charter of the Audit Committee	2.1.8	Policy on Qualification and Nomination of Company Directors
2.1.3*	Charter of the Corporate Governance and Nomination Committee	2.1.9	Scope of Duties and Responsibilities of the Chief Executive Officer
2.1.4*	Charter of the Remuneration Committee	2.1.10	Policy and Guidelines on the Chief Executive Officer and Top Executives Holding Directorships in Organizations outside SCGP
2.1.5*	Composition, Duties and Responsibilities of the ESG Committee		
2.1.6*	Composition, Duties and Responsibilities of the Risk Management Committee		
2.2 Corporate Management Policies and Practices			
2.2.1*	Charter of the Internal Audit Office	2.2.11*	Risk Management Policy
2.2.2	Sustainable Development Policy	2.2.12	Disclosure Policy
2.2.3	Compliance Policy	2.2.13*	Insider Information Management and IT Governance Policy
2.2.4*	Anti-corruption Policy	2.2.14*	Human Rights Policy
2.2.5	Connected Transaction Policy	2.2.15*	Diversity and Inclusion Policy
2.2.6	Prevention of Conflicts of Interest Policy	2.2.16	SCGP Privacy Policy
2.2.7	Antitrust Policy	2.2.17	Tax Policy
2.2.8*	Whistleblowing Policy	2.2.18	Intellectual Property Policy
2.2.9	Policy on Investment in Subsidiaries and Associates	2.2.19	Investor Relations Code of Conduct
2.2.10	Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Businesses		
2.3 Policies and Guidelines for Key Stakeholders			
2.3.1	Stakeholders Engagement Policy	2.3.3	Policy and Guidelines for the Procurement and Selection of Vendors of SCG Packaging
2.3.2	Dividend Policy of SCGP and its Subsidiaries	2.3.4	SCG Packaging's Supplier Code of Conduct

\*Adjusted in 2022

SCG Packaging's Corporate Governance Handbook is available on SCGP's website ([www.SCGPackaging.com](http://www.SCGPackaging.com))

The key aspects of the structure, mechanisms, policies and practices of corporate governance are as follows:

## Part 1: SCG Packaging's Structure and Mechanisms for Corporate Governance

The Board of Directors has established the values, Code of Conduct, and corporate governance structure and policies as the guideline for directors, executives, and employees of SCGP and its subsidiaries when conducting business. These will not only ensure fairness and transparency in business management but also generate returns and long-term values

for shareholders. They also build stakeholder trust and promote SCGP's competitiveness and sustainable growth, which can be summarized as follows:

### 1.1 SCG Packaging's Core Values

SCGP and its subsidiaries operate their businesses by adhering to four core values, namely, adherence to fairness, dedication to excellence, belief in the value of the individual, and concern for social responsibility.

## 1.2 SCG Packaging's Code of Conduct

The Board of Directors has established SCG Packaging's Code of Conduct that all staff of SCGP and its subsidiaries are obliged to observe the principles and guidelines set forth in the Code of Conduct. The directors should act as role models by being good citizens when handling business dealings with all countries, creating value which is the greatest benefit for SCGP.

## 1.3 SCG Packaging's Corporate Governance Structure

The Board of Directors has rolled out a corporate governance structure to achieve efficiency and effectiveness. This will create sustained value for the organization and stakeholders. A diagram of SCGP's corporate governance structure is included in the corporate governance structure section.

## 1.4 SCG Packaging's Corporate Governance Policy

SCGP conducts business responsibly, transparently and fairly, while adhering to its values. This principle has long been included within the Code of Conduct and on the basis of balanced and sustainable benefits. SCGP's directors serve as role models in this respect. Similarly, the Corporate Governance and Nomination Committee supervises the formulation of policies and guidelines, monitors and evaluates performance, and annually reviews business practices to conform to the actual operation and corporate governance guidelines in both national and global dimensions. One of the main agenda topics at the Board of Directors' meeting is corporate governance.

## Part 2: SCGP's Corporate Governance Policies and Guidelines

The Board of Directors has devised corporate governance policies and guidelines for directors and executives. The policies cover how to manage the organization and work with key stakeholders. SCGP regularly reviews and updates policies and guidelines, and promotes awareness and compliance among employees. The summary of the main policies and practices for good corporate governance is as follows:

### 2.1 Policies and Guidelines for Directors and Executives

The Policies and Guidelines for Directors and Executives in this section relate to directors, the Chairman of the Board, the Chief Executive Officer and top executives. They cover the Board of Directors and sub-committee charters, independent directors' qualifications, policies on qualification and nominations of company directors, the scope of duties and responsibilities of the Chief Executive Officer, and policies and guidelines on the Chief Executive Officer and top executives holding directorships in organizations outside SCGP:

### 2.1.1 Charter of the Board of Directors

In line with the 8 principles of the CG Code of the Office of the Securities and Exchange Commission and applicable laws, the Board of Directors' roles are as shown below:

**(1) Take responsibility as a leader who sustainably brings value to SCGP's business** - managing the business of SCGP and its subsidiaries to maximize benefit for SCGP, subsidiaries and shareholders. In conjunction with the management, the Board must annually review and approve the vision, mission and business strategies by reinforcing ethics and impacts on the environment and the society. They shall also comply responsibly, cautiously and honestly with laws, regulations, and resolutions of the shareholders' meeting.

**(2) Define SCGP's objectives and main goals that promote sustainable value creation** - defining the main operational plans, budgets, goals and operational policies to increase global competitiveness, as well as supervising administration and management in accordance with policies, action plans, budgets and goals.

**(3) Strengthen the Board of Directors' effectiveness** - determining and reviewing the Board's structure so that it is suitable for business operations. The Board must also have transparent processes for recruiting and electing the directors, determine compensation for Board and sub-committee members, establish governance mechanisms to manage subsidiaries and associated companies. It must also put in place structures to conduct an annual performance appraisal of the Board and continuously develop directors' competencies.

**(4) Recruit and develop top executives and people management** - considering the organizational structure, top executives' development plan and the Chief Executive Officer's succession plan. The top executives' performance should also be evaluated annually.

**(5) Nurture innovation and responsible business** - supervising and supporting the creation of innovation that brings value to SCGP and its subsidiaries, as well as maximizing the value of stakeholders. It should also monitor the implementation of strategies and work plans of SCGP and its subsidiaries.

**(6) Strengthen effective risk management and internal control** - establishing the Risk Management Policy that covers the entire organization and ensures effectiveness. The policy must be reviewed and evaluated regularly in response to the changing level of risks. The Board must also promote moral and ethical awareness among employees at all levels so that they are able to comply with principles of corporate governance, the Code of Conduct and policies. It must also ensure that SCGP and its subsidiaries have appropriate internal audit and internal control systems, and provide a process to assess the appropriateness of SCGP and its subsidiaries' internal control system regularly to cut the risk of corruption and abuse of power, and prevent illegal acts.

**(7) Ensure disclosure and financial integrity** - instructing SCGP and its subsidiaries to act with integrity when handling their financial reporting system, and ensuring that SCGP accurately discloses material information consistent with applicable requirements. This includes disclosing appropriate information to stakeholders, persons having a conflict of interest and any related persons, as well as properly disclosing important information to shareholders in the financial statements and various reports.

**(8) Ensure engagement and communication with shareholders** - giving shareholders the opportunities to make decisions on SCGP and its subsidiaries' significant corporate matters, as well as holding shareholders' meetings as scheduled. These meetings should be conducted properly, with transparency and efficiency, and be inclusive and fair when it comes to shareholders exercising their rights. There should also be accurate and complete disclosure of shareholders' meeting resolutions and minutes. The rights of all shareholders, both major and minor shareholders, as well as stakeholders of all parties must be respected. They must be treated with fairness and transparency.

Furthermore, the Charter of the Board of Directors stipulates the roles of the Chairman of the Board, the Board of Directors' composition, directors' qualifications and term of office, the Board of Directors' meeting and its required quorum as well as the Board of Directors' approval authority and remuneration. These are discussed in detail below.

#### Roles and Duties of the Chairman

The key role of the Chairman of the Board is to support the Board of Directors to perform its duties efficiently. His responsibilities include determining the agenda for every Board of Directors meeting with the Chief Executive Officer,

and ensuring that the directors receive correct, complete and clear information before the meeting. The Chairman must also lead both the Board and shareholders' meetings. The Chairman must support and be a role model for corporate governance and ethics, strengthen the relationship between SCGP's board members and management, and support the Chief Executive Officer and management team in following SCGP's policies. In addition, he must supervise disclosures of information and the performance of the Board, sub-committees, and each director to ensure efficiency and effectiveness.

#### Composition of the Board of Directors and Qualifications of the Directors.

The Board of Directors must consist of at least five directors (but not exceed 12). They must have diverse professional skills, experience and expertise that are valuable to SCGP and its subsidiaries. There should be no limitations on gender, race, religion, age, etc.

Directors must have qualifications as specified by the law and must not have untrustworthy characteristics under the Notification of the Office of the Securities and Exchange Commission. Independent directors must be independent from the management and major shareholders. They must not be involved in the management of the business nor have controlling power over the business. Moreover, the number of directorships that each director can hold in other listed companies cannot exceed four companies.

Any person who is appointed as a director of SCGP will participate an orientation session. Information about the roles and duties as directors will also be sent to all new directors.

#### Terms of Service

One-third of directors are required to retire at the annual general shareholders' meeting. Retired directors may be re-elected. An independent director can continue to hold his position for no more than nine consecutive years from the date of his first appointment as an independent director. If an independent director is appointed to continue his position, the Board should consider his necessity reasonably.

#### Board of Directors Meetings and Quorum

The Board of Directors meeting must be held at least once every three months, and not less than six times per year. In a month with no meeting, the Management shall report operating results to the Board of Directors so that they can supervise the Management's

performance regularly and on time. There should be a meeting between non-executive directors (without the Management) held as regularly as necessary. Directors should attend at least 80% of the meetings held throughout the year. Each director should attend at least 75% of the meetings held throughout the year. Supporting documents for a meeting should be submitted to the Board of Directors at least five business days before a meeting takes place.

The Company Secretary is responsible for preparing and proposing the minutes of the meeting to the Chairman of the Board of Directors for consideration and signature to verify accuracy. A director is allowed to voice opinions and recommend that a minute of the meeting shall be revised and amended so that it is as accurate as possible. The minutes of the meeting approved by the Board will be systematically stored in the form of electronic confidential documents for the convenience of searching for references.

#### Approval Authority of the Board of Directors

The Board of Directors has the authority to approve matters as required by laws, regulations, charters and shareholders' meeting resolutions. This includes setting up a delegation of authority; reviewing the vision, mission, strategies, key operational plans, the Risk Management Policy, annual budgets and business plans, and medium-term business plans; setting performance goals; monitoring and evaluating operational results, capital expenditures and significant related-party transactions; and considering mergers, spin-off, and joint ventures.

#### Remuneration

The directors will receive remuneration as approved at the shareholders' meeting.

### 2.1.2 Charter of the Audit Committee

The Audit Committee is responsible for oversight, risk management, compliance and internal control. For instance, they will review the financial reporting system and disclosures of information in financial statements to ensure they meet the standards and financial reporting requirements. The Audit Committee must also take into consideration connected transactions, asset acquisitions or dispositions, or transactions that may lead to conflicts of interest for SCGP and its subsidiaries. In addition, it performs reviews to ensure that SCGP has risk management, control processes and compliance monitoring systems. This includes a review of SCGP's internal control and internal audit systems. Regarding the anti-corruption system, the Committee performs reviews to ensure its efficiency in line with guidelines of regulatory

agencies, as well as providing advice and supervising compliance with the Anti-corruption Policy. Moreover, it is responsible for selecting, nominating and terminating SCGP's auditors, proposing audit fees, holding meetings with auditors without the Management, and approving work plans, budgets and audit team manpower. It is also responsible for approving the appointment, removal, transfer or dismissal of the Director of the Internal Audit Office.

In addition, the Charter of the Audit Committee has stipulated that the composition of the Audit Committee must consist of at least three independent directors. At least one of them must possess sufficient knowledge, understanding and experience in accounting or finance to perform audit duties. A meeting of the Audit Committee must be organized at least every three months. The Audit Committee will receive remuneration as approved at the shareholders' meeting.

### 2.1.3 Charter of the Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee is responsible for defining the corporate governance scope and policy and regularly shares it with the Board of Directors, as well as monitoring and supervising the Board of Directors' and Management Committee's performance so that it aligns with the corporate governance policy. It must also supervise the Board's structure and composition by taking into account key skills, diversity, independence and any conflict of interest which may arise in the performance of the Board's duties. The Corporate Governance and Nomination Committee also establishes guidelines for recruiting and selecting SCGP directors, and reviews directors' remunerations before they are proposed to the Board of Directors for approval at the annual general meeting of shareholders. It also achieves directors' development plans and suggests methods to evaluate the performance of the Board of Directors, sub-committees, and the Chairman of the Board.

In addition, the Charter of the Corporate Governance and Nomination Committee sets out the composition of the Corporate Governance and Nomination Committee: it must consist of at least three directors, and a majority must be independent directors. The Committee must also hold meetings at least four times a year. The Corporate Governance and Nomination Committee will receive remuneration as approved at the shareholders' meeting.

### 2.1.4 Charter of the Remuneration Committee

The Remuneration Committee proposes the remuneration guidelines, payment methods (both monetary and non-monetary), and other benefits for SCGP's executives in

accordance with their missions, duties, responsibilities and qualifications. The Committee appraises the performance of top executives individually and proposes the remuneration to the Board of Directors every year. Their duties, responsibilities and any risks related to increasing the value of shareholders' long-term equity are considered. The Remuneration Committee establishes the succession plan for the Chief Executive Officer and SCGP's top executives.

In addition, the Remuneration Committee Charter sets out the composition of the Remuneration Committee: it must consist of at least three directors, and a majority should be independent directors. The Committee must also hold meetings at least four times a year. The Remuneration Committee will receive remuneration as approved at the shareholders' meeting.

#### **2.1.5 Composition, Duties and Responsibilities of the ESG Committee**

The ESG Committee is appointed by the Board of Directors. Its composition includes at least one member of the Board of Directors. The Board of Directors appoints the Chief Executive Officer as the Chairman of the ESG Committee and grants them an authority to appoint suitable members of the Committee. The ESG Committee must regularly report to the Corporate Governance and Nominations Committee.

The ESG Committee's key responsibilities include establishing policies and governance practices in business operation following the UN Sustainable Development Goals (UN-SDGs) guidelines, including Environmental, Social and Governance (ESG) guidelines that align with key stakeholders' expectations for being a good role model for sustainable development both regionally and internationally. The Committee also encourages the linkage and implementation of crucial sustainability issues (Materiality) to be a part of the business strategy to bring about value and sustainability for the organization and the community.

#### **2.1.6 Composition, Duties and Responsibilities of the Risk Management Committee**

The Risk Management Committee is appointed by the Board of Directors. Its composition includes at least one member of the Board of Directors. The Board of Directors appoints the Chief Executive Officer as the Chairman of the Risk Management Committee and grants them an authority to appoint suitable members of the Committee. The Risk Management Committee must regularly report to the Audit Committee.

The key responsibilities of the Risk Management Committee include defining risk management structure, identifying responsible persons, considering risk management strategies, framework and process, reviewing risk profile and monitoring risk management practices of the entire organization.

#### **2.1.7 Independent Director's Qualifications**

SCGP has set Independent Director's Qualifications to prevent any impact on his/her independent judgment. These are stricter than the requirements of the Capital Market Supervisory Board in regard to shareholding, which stipulates that an independent director of SCGP must hold shares in the Company not exceeding 0.5% of the total number of shares with voting rights of SCGP, the parent company, a subsidiary, an associated company, a major shareholder or a controlling person of SCGP. This shall include the shareholding of related persons of that independent director. In addition, SCGP ensures that independent directors are able to attend the Board of Directors' meetings to make decisions independently, equally safeguard all shareholders' benefits, and prevent any conflict of interest.

#### **2.1.8 Policy on Qualification and Nomination of Company Directors**

To ensure diversity and that directors have the appropriate knowledge and expertise fit with business requirements, there should be clear, efficient and transparent nomination procedures in place that also support the participation of shareholders. The Board of Directors has devised a policy to determine the qualifications of the directors and nomination procedures. Directors must possess all the required qualifications, with no undesirable attributes as determined by the law. The Board members should be made up of directors with a variety of skills, experience, knowledge and expertise that will benefit SCGP under the Board Skills Matrix. There should be no limitations or discrimination against gender, age, race, ethnicity, nationality, country of origin, cultural background and religion.

The Board of Directors has assigned the Corporate Governance and Nomination Committee to recruit persons with skills, experience, knowledge and expertise that benefit SCGP and can replace directors who retire by rotation or for other reasons. The Corporate Governance and Nomination Committee proposes candidates to the Board of Directors and/or at the shareholders' meeting for election. The qualification criterion for directors includes ethics and responsibility, rationality in decision-making (this should be based on data), independency in opinion expression, time dedication, professionalism in adherence to principles and standards, competency and ability to use expertise to help the Board formulate strategies and policies as well as support the implementation of strategies. All of the above are based on the Board Skills Matrix approved by the Board of Directors. To propose a renewed term of a pre-existing director, the Board's assessment shall include the past performance and time dedication in that director's tenure.

The Corporate Governance and Nomination Committee uses several channels to recruit directors including inviting shareholders to nominate qualified persons and considering the list of persons who are capable of being a director of a listed company (Chartered Director) of the Thai Institute of Directors Association, and the list of directors of listed companies whose qualifications are consistent with SCGP's Board Skills Matrix.

### **2.1.9 Scope of Duties and Responsibilities of the Chief Executive Officer**

The Board of Directors has a resolution that clearly allocates the scope of work of the directors and management and defines the Chief Executive Officer's duties and responsibilities. The Chief Executive Officer's duties are to define the business's vision, mission, strategies, operating plans, budgets, goals and policies with the Board of Directors, as well as to communicate with the management and create a framework for planning and oversight to ensure the management's duties align with the business plan, budget, goals and policies that have been approved by the Board of Directors. In addition, the Chief Executive Officer has the authority to set regulations for hires, relocations, discharges, dismissals and compensation of employees that hold positions that are not within the authority of the Board or sub-committees. The Chief Executive Officer can also approve investment project budgets, procurements, finances, etc., within limits specified in the Delegation of Authority Manual approved by the Board of Directors.

In terms of management, the Chief Executive Officer must oversee the management of finances, marketing, production, human resources, risks and internal control systems as well as other operational aspects of SCGP and its subsidiaries to make sure they comply with policies, the business plan, laws, objectives, Articles of Association, and resolutions from the Board of Directors' and shareholders' meetings. This ensures that operations are carried out in good faith, with care, prudence and integrity to preserve the highest interests of SCGP and fairness towards all parties involved. In addition, the Chief Executive Officer must develop and improve SCGP and its subsidiaries' operations, and support innovation that adds value and makes the organization grow sustainably according to its strategic plan. They must also take a supervisory role to ensure that the Management contributes to fostering an ethical corporate culture and practices good corporate governance. Also, the Chief Executive officer must follow up on SCGP, its subsidiaries and/or associates'

performance assessments (scheduled regularly), and supervise the preparation of financial reports and disclosures – all important information must be correct, adequate, timely and in accordance with relevant rules and practices.

### **2.1.10 Policies and Guidelines on the Chief Executive Officer and Top Executives Holding Directorships in Organizations outside SCGP**

The Chief Executive Officer and top executives are able to hold positions as directors or spend their time with SCGP working for outside organizations or institutions that are not subsidiaries, associated companies and other companies that SCGP invests in if they are public or private organizations established for public interest, or private organizations established for trading purposes, but does not present a conflict of interest with SCGP, and does not take up too much of the director's time to the extent that it is disadvantageous for SCGP. In addition, it must not be an organization established for the benefit of political parties.

## **2.2 Corporate Management Policies and Practices**

Policies and guidelines in this section deal with the implementation of various organizational activities to effectively manage work and comply with good corporate governance guidelines.

### **2.2.1 Charter of the Internal Audit Office**

The Internal Audit Office is responsible for supervising risk management, operations, internal control, and reviewing operational processes so that they adhere to good governance. It must also evaluate whether the main business activities of SCGP have appropriate and adequate internal control systems and comply with the COSO 2013 Framework to prevent significant damages, as well as offering some advice for establishing related measures and preventive guidelines. Moreover, it must review the self-evaluation concerning anti-corruption measures to ensure compliance with the guidelines issued by regulatory agencies. The Director of the Internal Audit Office is tasked with defining and controlling the audit monitoring system, establishing preventive procedures, as well as summarizing audit reports for the Audit Committee.

### **2.2.2 Sustainable Development Policy**

SCGP operates its business according to sustainable development guidelines by considering risks and opportunities for improvement at all levels of the organization. This is done with both the short and long-term needs and expectations of stakeholders in mind, and takes into account the impact on society and the environment. It also draws on information to help

formulate business strategies and enable businesses to grow sustainably in rapidly changing situations by balancing economic, social and environmental aspects.

**Economy** - creating value and meeting the needs and expectations of all stakeholders; increasing the organization's ability to align with changing situations; and supporting related parties to conduct business based on sustainable development.

**Society** - performing business with integrity, treating employees fairly and equally, actively creating the highest level of safety at work, upholding social responsibility and contributing to a greater quality of life across locations of operation.

**Environment** - actively upholding the environment, using resources wisely and maintaining a sustainable ecosystem balance.

### 2.2.3 Compliance Policy

SCGP's directors, executives and employees are all committed to following rules - laws, regulations, articles of association, contractual obligations, the code of conduct, policies, operational standards, best practices and public commitments - in every country where SCGP conducts business. This encompasses communication as well as promoting and supporting knowledge, understanding, direction and supervision for improved performance and consistency that is in line with changes in business.

### 2.2.4 Anti-corruption Policy

The Board of Directors has assigned the Corporate Governance and Nomination Committee to ensure the enforcement of a clear-cut Anti-corruption Policy that is suitable for the operation. The Audit Committee shall provide some advice and follow up on the compliance with the Anti-corruption Policy. The SCGP ensures that the communication covers all internal functions and the third parties so that concrete actions are achieved. This is to ensure that all business decisions and actions that could pose a risk of corruption are carefully considered before being implemented. No corruption is tolerated at the SCGP. Employees must strictly follow the Anti-corruption Policy and shall not conduct or accept any form of corruption, either directly or indirectly. This covers all businesses in every country and all related departments. The Anti-corruption Policy's implementation is regularly reviewed. The review covers any guidelines it contains to make sure they comply with business, regulatory and legal requirements. The Risk Management Committee prepares risk assessments related to potential corruption. The Internal Audit Office must put together proper and efficient inspection processes and internal control systems

involving procedures, finance, accounting, information storage and other issues. A regular review of such processes and systems is required. The Director of the Internal Audit Office shall prepare corruption-focused risk assessments, provide some advice on initiating the measures and guidelines of corruption-related risk prevention, and present them to the Audit Committee and the Board of Directors. The Director is also responsible for auditing and verifying that the operations are correct and in accordance with policies, practices, the Delegation of Authority Manual, guidelines, laws, and regulatory requirements. This shall ensure that the control system is appropriate, concise and sufficient to prevent any form of corruption from occurring, and that any cases are reported to the Audit Committee.

### 2.2.5 Connected Transaction Policy

The Board of Directors has established the Connected Transaction Policy to comply with laws and guidelines such as The Securities and Exchange Act B.E. 2535 (and its amendments), the Notification of Capital Market Supervisory Board Tor Jor. 21/2551 regarding Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand's Board of Governors (BorJor/Por 22-01) re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003). SCGP also follows good corporate governance principles for listed companies of the Stock Exchange of Thailand and the Securities and Exchange Commission. Conducting a connected transaction must be approved by the Management, the Board of Directors or the Shareholders' meeting based on the size of said connected transaction.

### 2.2.6 Prevention of Conflicts of Interest Policy

The Board of Directors has put in force the policy to prevent any conflicts of interest. The SCGP has established guidelines, prohibitions, and various considerations for directors, executives and employees to understand how to implement the policy. In this, directors and executives shall disclose and submit their own and related persons' stakes information to the Company Secretary. They shall be submitted to the Chairman and the Audit Committee's Chairperson for inspection within seven business days after the day the report is received. The aim is to acknowledge in a timely manner the relations and transactions with SCGP and subsidiaries that could pose a conflict of interest before a transaction. This ensures that the SCGP can oversee and tackle a potential conflict of interest between SCGP and its subsidiaries and directors, executives or stakeholders; avoid a misuse of assets, information and opportunities of SCGP and subsidiaries, and prevent a transaction with a person connected to SCGP and subsidiaries that are not consistent with the Connected Transaction Policy.

In addition, the Board of Directors has approved the guidelines in the event that the directors may be involved in conflicts of interest to prevent any act which may incur conflicts of interest of SCGP and its subsidiaries, and govern any potential conflicts of interest to comply with relevant regulations, announcements or orders. These include the following two cases:

- (1) In the case that any director may have an interest or conflict in the issues to be discussed (including entering into connected transactions); and
- (2) In the case that any director (including the Chief Executive Officer) may hold directorships in other companies.

### **2.2.7 Antitrust Policy**

SCGP will not engage in any activity which may result in trade injustice, disrupt market forces or free competition, or may destroy, damage, block or limit business operations for other businesses. SCGP will not misuse power over the market or take any action which may result in ending competition with competitors in business, either directly or indirectly. Similarly, SCGP will not exchange business information nor make agreements with competitors, partners or customers to reduce or limit market competition. All in all, SCGP respects the antitrust law, conducts business ethically and raises awareness on legal compliance among SCGP's business partners.

### **2.2.8 Whistleblowing Policy**

SCGP has established a system to receive complaints and take action if there is an indication of violation of the law, regulations, the Articles of Associations and the Code of Conduct, or behavior by SCGP employees that is conducive to corruption. SCGP offers a complaint channel for internal and external persons of SCGP, as well as protection measures for those who give information and procedures to investigate complaints. In addition, SCGP imposes penalties on offenders, and communicates policies and associated guidelines to ensure efficiency in compliance.

SCGP's employees can make a complaint and whistleblowing through the intranet portal system and select the person who should receive their complaint - their supervisor, the HR Director, the Director of the Internal Audit Office, the Company Secretary, the Secretary to the Board of Directors or any member of the Board of Directors. Outsiders can make complaints through SCGP's website ([www.SCGPackaging.com](http://www.SCGPackaging.com)) or by sending SCGP a written letter of complaint. They can also select the recipient of their complaint - the Corporate Secretary Office, the Internal Audit Office, the Independent Committee, and the Audit Committee. A letter can also be filed.

### **2.2.9 Policy on Investment in Subsidiaries and Associates**

SCGP has the policy on investment in businesses that is in line with SCGP goals, vision and strategic plans and is intended to support SCGP's business operations. This also applies to businesses with related or similar characteristics or potential to bring benefits (synergies) to SCGP's current businesses, which can, in turn, contribute to greater revenue, increased competitiveness and long-term stable performance. SCGP analyzes all aspects of an investment, which must then be approved at the Board of Directors' or shareholders' meeting (depending on the case).

### **2.2.10 Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Business**

SCGP has rolled out the Management and Corporate Governance Policy for core business subsidiaries and associates. This provides a framework and mechanism for corporate governance, as well as guidance for subsidiaries and associate companies, both directly and indirectly. In addition, there are suitable measures to monitor the performance of subsidiaries and associated companies to maintain SCGP's investment interests effectively.

The Board of Directors assigns the Chief Executive Officer to appoint SCGP representatives who will act as directors or executives in subsidiaries and associated companies and report to the Board of Directors, as stipulated in the Delegation of Authority Manual.

Directors and executives of subsidiaries or associated companies (appointed or nominated by SCGP) are responsible for ensuring that the subsidiary or associated company can enter into transactions or undertake material activities which are significant to the financial status and operating results of subsidiaries or associated companies, as specified in the Delegation of Authority Manual. The subsidiary or associated company's articles of association must be agreed upon or approved at SCGP's Board of Directors' or shareholders' meetings (as the case may be) before proceeding with any actions.

### **2.2.11 Risk Management Policy**

The Board of Directors makes risk management decisions as a part of SCGP's strategies, plans and operations. It aims to manage any risks to an acceptable level and in an effective way so that there is minimal impact on SCGP and its objectives. SCGP has an Enterprise Risk Management Framework that is in line with international standards and includes a process for determining strategies, risk management structure and accountabilities, and the risk management process. This framework also aims to create a risk management culture at SCGP.

### **2.2.12 Disclosure Policy**

SCGP is committed to complying with all applicable disclosure laws in all countries where SCGP has, or will have businesses. SCGP discloses information with caution, accuracy, completeness, and without causing any material misstatement. It also complies with laws, rules, standards and practices of relevant departments. Disclosure must be up to date, timely, thorough, fair, equitable, accessible and sufficient for stakeholders to make decisions.

### **2.2.13 Insider Information Management and IT Governance Policy**

To prevent any misuse of SCGP's internal information that has not been disclosed to the public and that may have a material effect on the price or value of securities, the Board of Directors has established the Insider Information Management Policy, as a part of the Insider Information Management and IT Governance Policy. This policy must be observed by all directors, executives and employees and should be communicated properly. It covers measures to prohibit trading in securities, or to be bound by future contracts related to the securities of SCGP or its subsidiaries or affiliates of the SCGP that are listed companies, or other listed companies related to insider information during the period of one month before the disclosure of quarter and annual financial statements; and within 24 hours after the disclosure of such financial statements. Quarterly, the Office of the Company Secretary notifies all stakeholders of the blackout period. At the Board of Directors' meeting, the Chairman of the Board also emphasizes this timeframe.

If directors, executives, those holding executive positions in accounting or finance as department managers or equivalent level of SCGP, employees in departments related to insider information, including their spouses, cohabiting couples, or underage children, have received insider information of SCGP or the Company's listed subsidiaries or associate companies, or other listed companies related to insider information; they must not trade in said companies' securities until 24 hours after the insider information has been publicly disclosed in full.

Furthermore, another duty is to report holdings, changes in securities holdings and future trades to the Company Secretary before submitting to the Office of the Securities and Exchange Commission (SEC) within three business days from the date of purchase, sale, transfer or acceptance of transfer of securities or derivatives, and the collection and prevention of the use of inside information.

With regard to information technology management and security measures for information technology systems,

SCGP has provided measures to protect the computer system's security and information (as part of the Insider Information Management and IT Governance Policy). The use of computer and information technology must comply with the computer-related Crime Act and other relevant laws. SCGP also restricts access to insider information and prohibits altering, duplicating, deleting or destroying its information. Also, one is not allowed to disclose information in SCGP's information system without receiving SCGP's permission. A security system has also been established to prevent unauthorized access and use of confidential files and documents to ensure that the information technology system is used in accordance with permitted rights.

### **2.2.14 Human Rights Policy**

SCGP's Board of Directors, executives and employees at all levels must recognize the importance of, and respect human rights for all people, community and society. They must also comply with the country's laws and international requirements in relevant binding treaties. These include principles on the equal treatment of people – free from discrimination or violations – and promoting compliance with human rights requirements throughout the business value chain. Similarly, there are advanced and efficient whistleblowing channels and the process to escalate the report to a higher level of authority. SCGP will take a corrective action or consider a disciplinary action in accordance with SCGP's regulations and can be subject to a legal action if such action is illegal. Furthermore, SCGP is determined to communicate, report and disclose information on human rights operations, mitigation and remedy, incidents of discrimination and harassment to the public in a complete and transparent manner.

### **2.2.15 Diversity and Inclusion Policy**

SCGP's Board of Directors, executives and employees at all levels shall recognize and pledge to uphold respect for diversity and inclusion of all people, both SCGP staff and outsiders. Advanced and efficient whistleblowing channels are also provided.

### **2.2.16 SCGP Privacy Policy**

SCGP respects the privacy and maintains confidentiality, accuracy, completeness and the security of personal data of customers, shareholders, employees of SCGP and other parties related to SCGP. To ensure that they will receive full protection of rights under the personal data protection law, the Board of Directors has approved the personal data protection policy in order for SCGP to enforce criteria, mechanisms and measures to clearly and appropriately supervise, and manage personal data as guided by the personal data protection law. Listed below are the five aspects of the Policy:

1. Personal Data Protection Governance – to determine suitable methods and measures to comply with the law
2. Personal Data Processing – to manage every step of personal data to comply with the law and SCGP Privacy Policy
3. Data Subject's Right – for data owners to exercise their respective rights as allowed by the law as well as recording and assessing the response to data owners' requests for exercise of their rights
4. Personal Data Security – to promptly identify and handle an abnormal incident about personal data
5. Personal Data Protection Compliance – to ensure up-to-date and compliance with the law and occurrences at a particular period

Appointing the Personal Data Protection Committee and data protection officers to oversee and be responsible for the implementation of the policy, evaluate and review the operational standards and guidelines to ensure that the operation is in line with the laws and policies set by the Board of Directors.

### 2.2.17 Tax Policy

SCGP adheres to conducting its business with ethics, as well as responsibility to society and all stakeholders. For this reason, the Tax Policy is established to ensure that operation and tax management are consistent with the structure of all types of operations and rest on transparency and accountability. This also aims to achieve compliance with applicable laws and regulations, as well as transfer pricing law, in all countries where SCGP has business deals.

### 2.2.18 Intellectual Property Policy

The Board of Directors has greenlit the Intellectual Property Policy on account of the importance of intellectual property's function as the engine of innovation. Also, intellectual property is an invaluable asset, requiring all staff to respect and avoid an infringement of other people's intellectual property. The three essences of the policy include the respect of law and adherence to good corporate governance involving intellectual property management, the cultivation of an innovation and technology development culture for sustainable and continual usage, and lastly, the rewarding scheme that offers moral support to employees who contribute to intellectual property development. Intellectual property follow-up and inspection processes are put in place to avoid damage to the SCGP's operation and other people.

### 2.2.19 Investor Relations Code of Conduct

The Board of Directors has established the Investor Relations Code of Conduct which are guidelines on how to accurately and appropriately perform duties following basic principles on the disclosure of significant information, keeping inside information, and the equitable and fair treatment of stakeholders. It also includes guidance on performing duties with honesty – consistent with the corporate governance principles. This Investor Relations Code of Conduct will add value to SCGP and build stakeholder trust.

## 2.3 Policies and Guidelines for Key Stakeholders

Policies and guidelines in this section have been established for various groups of stakeholders to support SCGP, as well as build and maintain long-term business relationships.

### 2.3.1 Stakeholders Engagement Policy

The Board of Directors has established the policy framework and guidelines for stakeholders in 12 different groups. These policies are for business operations and aim to add value to the organization, as well as uphold its commitment to sustainable development.

#### 1) Policy and Practice Towards Shareholders

As SCGP gives priority to shareholders, SCGP's directors, Management and employees must operate business according to principles of good governance and SCGP's core values in an honest manner. This includes making sure business is conducted without conflicts of interest, and with an aim to create the greatest benefit and added value for shareholders in the long term. Also, operations must respect the rights of shareholders and treat all shareholders fairly and equitably. Shareholders can propose agendas and candidates for election of directors before general shareholders' meetings are held, and clarify various details about the shareholders' meeting before decisions are made. The directors, Management and employees in relevant departments, as well as spouses and underage children of such persons, are prohibited from using insider information that has not yet been disclosed to the public to seek personal benefit and take advantage of shareholders. The Board must provide an independent director to be in charge of minority shareholders and to receive complaints or suggestions from shareholders through established and accessible channels.

#### 2) Policy and Practice Towards Employees

SCGP believes that employees are a valuable resource and a factor of success. For this reason, SCGP treats employees fairly in accordance with human rights

principles and takes into account their needs to create good and sustainable relationships with them. SCGP also promotes skills development to empower its employees, and is prepared to provide stability and career advancement opportunities. In addition, SCGP has established employee recruitment practices, ensures a fair selection process and respects and protects employees' personal rights. SCGP also conducts performance appraisals and provides compensation after considering the duties, responsibilities and capabilities of each individual employee. It also provides fair and appropriate welfare for employees, cultivates and promotes awareness of health and safety in the workplace. SCGP operates based on the occupational health, safety and environmental management system that is in line with international standards. This includes providing a channel for disclosures of important information to employees. This is done so employees have an understanding of business operations and the impact they have on SCGP's various businesses and subsidiaries. SCGP also provides a complaint and whistleblowing system to report behavior that does not follow SCG Packaging's Code of Conduct. It also protects employees from being bullied, or that have been punished as a result of complaints (the Whistleblowing Policy).

### **3) Policy and Practice Towards Customers**

SCGP is committed to providing customers with the best benefit and satisfaction by focusing on quality, fair prices as well as developing and maintaining lasting relationships. SCGP strives to deliver products and services that meet the needs of consumers and the people around them. It promotes a good quality of life, sustainable social growth, innovation, research and development for high value products and services that meet customer needs. SCGP also develops products and services that are environmentally friendly by using less resources, saving energy, reusing where possible and ensuring durability. SCGP produces safe products and services which are not harmful to customers' health and can be trusted. SCGP aims to provide correct and sufficient information to consumers, and keeps customer information in a systematic and safe manner to avoid misusing it. It also has a quality management system that is in line with international standards and has a department that is responsible for providing product recommendations, advice, solutions, and receiving complaints to ensure customers' highest satisfaction regarding products and services.

### **4) Policy and Practice Towards Suppliers**

SCGP trades and competes in an honest manner by adhering to contracts that are in place, SCG Packaging's Code of Conduct and customer commitment. It also establishes reasonable and fair purchase prices by taking into account the price, quality and services provided. There are also clear regulations for procurement and operations, where demanding or accepting assets or any benefit from a partner is not allowed. SCGP supports environmentally friendly procurement and avoids making purchases from suppliers that violate human rights or intellectual property, and does not do business with entities that behave illegally or that do not follow public order and morals.

### **5) Policy and Practice Towards Business Partners**

SCGP has the policy of taking good care of its business partners by following human rights standards, as well as considering the environment, workplace safety and remuneration based on reasonable and fair compensation. Besides, SCGP develops the capabilities and knowledge of its business partners both within and outside their lines of work for greater work efficiency. At the same time, SCGP encourages its business partners to enhance their own knowledge for the same reason. SCGP promotes and supports business partners to operate according to principles of sustainable development and social responsibility, and to adhere to SCG Packaging's Supplier Code of Conduct.

The Board of Directors approved the implementation of SCGP's Policy and Guidelines for the Procurement and Selection of Venders of SCG Packaging to ensure ethical business conduct and uphold its responsibility towards society and the environment. SCGP also refuses to conduct business with any person or a juristic person who violates the law or demonstrates behavior involving corruption.

### **6) Policy and Practice Towards Joint Venture Partners**

SCGP respects the rights of joint venture partners, treats every partner equitably and fairly, and does not exploit partners. SCGP also collaborates with joint venture partners to promote, support and strengthen their operations, encourage the exchange of opinions and suggestions and formulate business plans. It also supports the appropriate and transparent allocation of interest, and helps monitor joint ventures' operations to ensure that they are in line with laws and sustainable development guidelines, with the aim of achieving shared goals.

**7) Policy and Practice Towards Creditors**

SCGP has the policy to treat creditors with equality, fairness and transparency, and to strictly comply with any agreed terms and conditions. To maintain creditors' confidence, SCGP stresses the importance of managing its finances to create an appropriate financial structure. SCGP also strives to constantly keep creditors abreast of SCGP's business status and to maintain sustainable relations with creditors.

**8) Policy and Practice Towards Communities**

SCGP and its subsidiaries are committed to social responsibility and supporting activities that improve the quality of life, and benefit the communities and societies they operate business with. This includes encouraging employees and stakeholders to be good citizens by contributing to their communities and societies, and supporting activities or projects that improve people's livelihoods, such as career development and sustainable solutions. SCGP also encourages communities and stakeholders to participate in activities, projects, and make suggestions or complaints to SCGP and its subsidiaries. The goal of this is to foster harmonious and sustainable co-existence between industries and communities.

**9) Policy and Practice Towards Governmental Agencies**

SCGP has clearly defined guidelines in SCG Packaging's Code of Conduct for engaging in transactions with government agencies. Furthermore, SCGP ensures strict compliance with relevant laws and regulations. In addition to refusing to engage in matters that could provide incentives for officers in government agencies and make them commit inappropriate or unlawful acts, SCGP cooperates with government agencies in providing academic assistance or support for various activities. It is open to comments, suggestions, and complaints from government agencies. Lastly, there are operational requirements in SCGP's Anti-corruption Policy related to business relations and government procurement. These specifically prohibit giving or accepting bribes in any kind of business or SCGP operation. Dealings with the government must be transparent, honest and in accordance with applicable laws.

**10) Policy and Practice Towards Media**

SCGP realizes the importance of disclosing information to the media to communicate with the public accurately and quickly. Therefore, SCGP has guidelines on disclosing information to the media so that it is accurate, clear and relevant. SCGP also facilitates access for the media when it reaches out

to SCGP, and opens up opportunities for the media to meet with high executives and build good relations with them. SCGP is open for media visits and plant tours of the production process and management systems so that the media has access to correct and accurate information.

**11) Policy and Practice Towards Civil Society, Scholars, and Thought Leaders**

SCGP conducts business with concern for social responsibility and all stakeholders. In addition to full, accurate, transparent and verifiable disclosure of information, SCGP builds relationships and facilitates community involvement with relevant agencies. It also listens to opinions and various recommendations from civil society to create shared and sustainable business practices.

**12) Policy and Practice Towards Competitors**

SCGP has a policy to treat competitors fairly under an honest competition framework. SCGP is committed to carrying out business in compliance with the law and SCG Packaging's Code of Conduct, with concern for trade ethics and laws. SCGP also refuses to gain an unfair advantage over its competitors through unlawful activities, seeking confidential information through unethical or inappropriate means, engaging in any action that violates competitors' intellectual property rights, or destroying competitors' reputations with defamatory and untruthful statements. In addition, SCGP supports and promotes free trade, and avoids any acts that monopolize the market, or impede or limit fair competition.

**2.3.2 Dividend Policy of SCGP and its Subsidiaries**

SCGP has a policy of paying dividends of at least 20% of the net profit according to the consolidated financial statements, after corporate income tax and deductions of various types of reserves. This is clarified by the law and SCGP each year. The dividend payment rate may change from the specified rate, as it depends on the performance, financial structure and position, liquidity, additional investment needs, investment plans, business expansion, reserve for loan repayment or working capital, conditions and limitations as stipulated in the loan agreement and other factors related to administration and management.

The Board of Directors of subsidiaries will consider their respective dividend policies, which must be approved at the shareholders' meetings of subsidiaries each year and take into account various factors that mainly benefit shareholders.

### 2.3.3 Policy and Guidelines for the Procurement and Selection of Vendors of SCG Packaging

SCGP conducts systematic procurement according to tightly controlled regulations and procurement methods. SCGP takes into account needs in terms of quality, price, quantity, service time, delivery, after sales service, warranties and other conditions. SCGP also refuses to conduct business with a person or a juristic person who violates the law or demonstrates behavior involving corruption. SCGP selects vendors in a systematic, fair and transparent manner, and supports vendors who conduct business ethically, and consider their social and environmental responsibility.

Vendors may file a complaint on unfair treatment under the SCGP corporate governance principle through the specified channel at <https://whistleblowing.scg.com/external/pkg>.

### 2.3.4 SCG Packaging's Supplier Code of Conduct

SCGP has established SCG Packaging's Supplier Code of Conduct so that all business partners follow the same guidelines. It is used as a standard for business operations together with five principles: 1) business ethics practices 2) labor protection and human rights 3) occupational health and safety 4) the environment and 5) laws and regulations.

#### Code of Conduct

SCGP conducts business with responsibility, transparency, and fairness. It adheres to the long-standing principles defined in SCG Packaging's Code of Conduct, and is dedicated to sustainable and balanced benefits. The Board of Directors has greenlit SCG Packaging's Code of Conduct as an operational handbook for directors, Management and employees of all levels. Having the Code of Conduct also ensures that all employees of SCGP and its subsidiaries can gain an understanding of same principles and operational guidelines throughout the organization, and hence bring utmost benefit to all stakeholders fairly.

SCG Packaging's Code of Conduct consists of principles, practices and examples, with recommendations of important and necessary matters to consider when working towards the organization's goals. There are 12 matters in total:

<b>Corporate Values</b>	<b>Care of Property</b>
1 Human and Labor Rights	7 Handling of Information and Assets (Including Intellectual Property)
2 Environment, Health and Safety	8 Information Disclosures and Communication
3 Anti-corruption	9 SCGP's Transactions
4 Gifts and Entertainment	10 Doing Business Abroad and International Trade
5 Conflicts of Interest	11 Business Competition
6 Political Activities	12 Anti-laundering Measures

In 2022, the Board of Directors approved the amendment to the practice guidelines and examples in SCG Packaging's Code of Conduct to improve their clarity and understandability. This covered a wider boundary of SCGP's operations as guided by SCGP's visions and goals for sustainable growth and value creation and included the Indonesian translation of SCG Packaging's Code of Conduct. These are intended to be applied in SCGP and its subsidiaries, both in Thailand and overseas. SCGP has published the Code of Conduct on its website: ([www.SCGPackaging.com](http://www.SCGPackaging.com)).

SCGP produces self-learning videos providing examples relevant to each topic of the Code for employees (e-Learning) to learn about SCGP's operations and how to apply principles and practices that are specified in SCG Packaging's Code of Conduct (covering all 12 matters), especially those related to their duties and responsibilities.

This covers the right actions to take if an employee encounters an unethical behavior. SCGP gives training on SCG Packaging's Code of Conduct in its orientation session for new employees (this is also intended for supervisors). It also requires all Thai employees to pass an ethics e-Test annually so that they regularly review SCG Packaging's Code of Conduct. Results from the e-Test are reported to the Audit Committee so it can consider ways to improve compliance with the Code of Conduct and promote a corporate culture that supports SCGP's core values.

SCGP regards a non-compliance with SCG Packaging's Code of Conduct as a disciplinary offence which requires a punishment. It has formulated punishment methods and correction to avoid a repeat case. If the non-compliant act is a legal offence, such person can also be subject to legal punishment.

## Significant Changes and Developments in Policy, Practice, and the Corporate Governance System in the Previous Year

In 2022, the Board of Directors recognized the new criteria for the corporate governance survey of listed companies (CGR Checklist), which will be applied for the first time in 2023, as well as additional recommendations from the Office of the Securities and Exchange Commission regarding gender diversity in the composition of the Board of Directors advised in

the CG Code, and reviewed the application of the CG Code to SCGP and evaluated the performance of the Board of Directors in accordance with the CG Code. The score of the Board's performance appraisal on the 8 principles of the CG Code was higher than 90%, satisfied with SCGP's standard. Therefore, this ensures that the Board of Directors understands the CG Code's principles and practices, and applies them to create sustainable value for SCGP. SCGP's policies, guidelines, and corporate governance systems, which were updated in 2022, are as follows:

Items Adjusted in 2022	Key details
SCG Packaging's Code of Conduct	Adjusted to ensure conformity with the current practices and overseas business expansion by adding examples of correct practice.
SCG Packaging's Corporate Governance Structure	Updated to align with SCGP's organization chart.
Charter of the Audit Committee	Adjusted to gain more flexibility in operation.
Charter of the Corporate Governance and Nomination Committee	Adjusted to gain more flexibility in operation.
Charter of the Remuneration Committee	Adjusted to gain more flexibility in operation.
Composition, Roles and Responsibilities of the ESG Committee	Newly endorsed to ensure higher clarity and conformity with the sustainable development guideline.
Composition, Roles and Responsibilities of the Risk Management Committee	Newly endorsed to ensure higher clarity and conformity with the up-to-date operation.
Charter of the Internal Audit Office	Adjusted to align with the business expansion and up-to-date operation.
Anti-corruption Policy	Adjusted to align with the up-to-date operation.
Whistleblowing Policy	Adjusted to align with the up-to-date operation.
Risk Management Policy	Adjusted to align with the up-to-date operation.
Insider Information Management and IT Governance Policy	Improved to comply with applicable rules, regulations and laws.
Human Rights Policy	Improved to be clearer and more consistent with international practice.
Diversity and Inclusion Policy	Introduced additional guidelines for verifying understanding of this policy among employees, vendors, business partners and business associates.
Performance Assessment Forms for the Board of Directors and the Sub-committees	Added to ensure higher clarity and consistency with the guidelines for the development of assessment forms for the Board of Directors and sub-committees recommended by IOD.

To support SCGP's operations under the sustainable development guidelines and aim to become a leading international company in sustainable development and to enforce risk management and management operations in line with strategies, business goals and the evolving situation, both in the short and intermediate term, the Board of Directors resolved to appoint two sub-committees, of which the Chairman being the representative of the Board of Directors and members selected from the relevant Management as follows:

- The ESG Committee – chaired by the Chief Executive Officer who is a member of the Board of Directors and regularly reporting the operations to the Corporate Governance and Nomination Committee.
- The Risk Management Committee – chaired by the Chief Executive Officer who is a member of the Board of Directors and regularly reporting the operations to the Audit Committee.



In 2022, SCGP promoted the additional rights to shareholders aside from the voting rights, for example, the right to submit questions in advance before the 2022 Annual General Meeting of Shareholders to express their opinions and ask questions about the agenda and facilitating shareholders including institutional investors to attend a meeting, both in person and by proxy. SCGP provided proxy forms in Form A, B and C to the shareholders, together with the notice of the meeting. Furthermore, the shareholders can also download them from SCGP's website. The shareholders were granted the rights to propose, in advance, meeting agendas and nominate qualified candidates to become the directors ahead of the 2023 Annual General Meeting of Shareholders, during the period of August 1 to November 30, 2022, and the granting of these rights was published on SCGP's website ([www.SCGPackaging.com](http://www.SCGPackaging.com)) and on the website of the Stock Exchange of Thailand.

SCGP offers a larger variety of communication channels for SCGP information as opposed to the previous year, such as information disclosure in the annual report, on SCGP's website and the website of the Stock Exchange of Thailand, communication with institutional investors, retail investors, shareholders, analysts and relevant government agencies in an equal and fair manner. The mediums are telephones, emails, and meetings, both online and physical. In 2022, SCGP organized regular activities, including:

- Organized, on a quarterly basis, a total of eight Analyst Conferences and Press Conferences regarding SCGP's performance;
- Organized and attended 55 non-deal roadshows and meetings with securities companies to present quarterly information to institutional investors and interested persons;
- Held 77 meetings and conference calls for institutional investors and analysts;
- Participated in four SET Opportunity Day events organized by the Stock Exchange of Thailand on a quarterly basis for local and international retail investors and those interested;
- Published 111 newsletters about SCGP's performance and progress of investment for business expansion.

In 2022, SCGP fully complied with all eight principles of good corporate governance for listed companies 2017 (CG Code) recommended by the SEC, but might not apply a few guidelines which could be explained as follows:

**Guideline 3.1.1** There must be at least 30% of female members in the Board of Directors.

The Board of Directors has considered the appropriateness of the structure of the Board of Directors and agreed to have at least two female members in the Board of Directors to diversify the composition of the Board of Directors. At present, SCGP has three female directors out of 12 total directors, accounting for 25%, of which all three female directors are independent directors. The Board of Directors has considered the ratio of female directors as proposed by the Corporate Governance and Nomination Committee and concluded that it is appropriate for the current context.

**Guideline 8.3.3 (3)** The questions asked and answers provided during the meeting, including the identity of the persons asking and answering the questions, must be recorded in the minutes of shareholders' meetings.

SCGP has recorded in the minutes of the shareholders' meeting the questions asked, the answers provided and the persons answering the questions aiming to make the minutes concise and easy to understand. In answering questions at the shareholders' meetings, the directors and executives may combine similar or related questions asked by the shareholders and answer them altogether. Therefore, the minutes of the meeting were recorded by summarizing the content of questions, answers and those who answered for further reference.



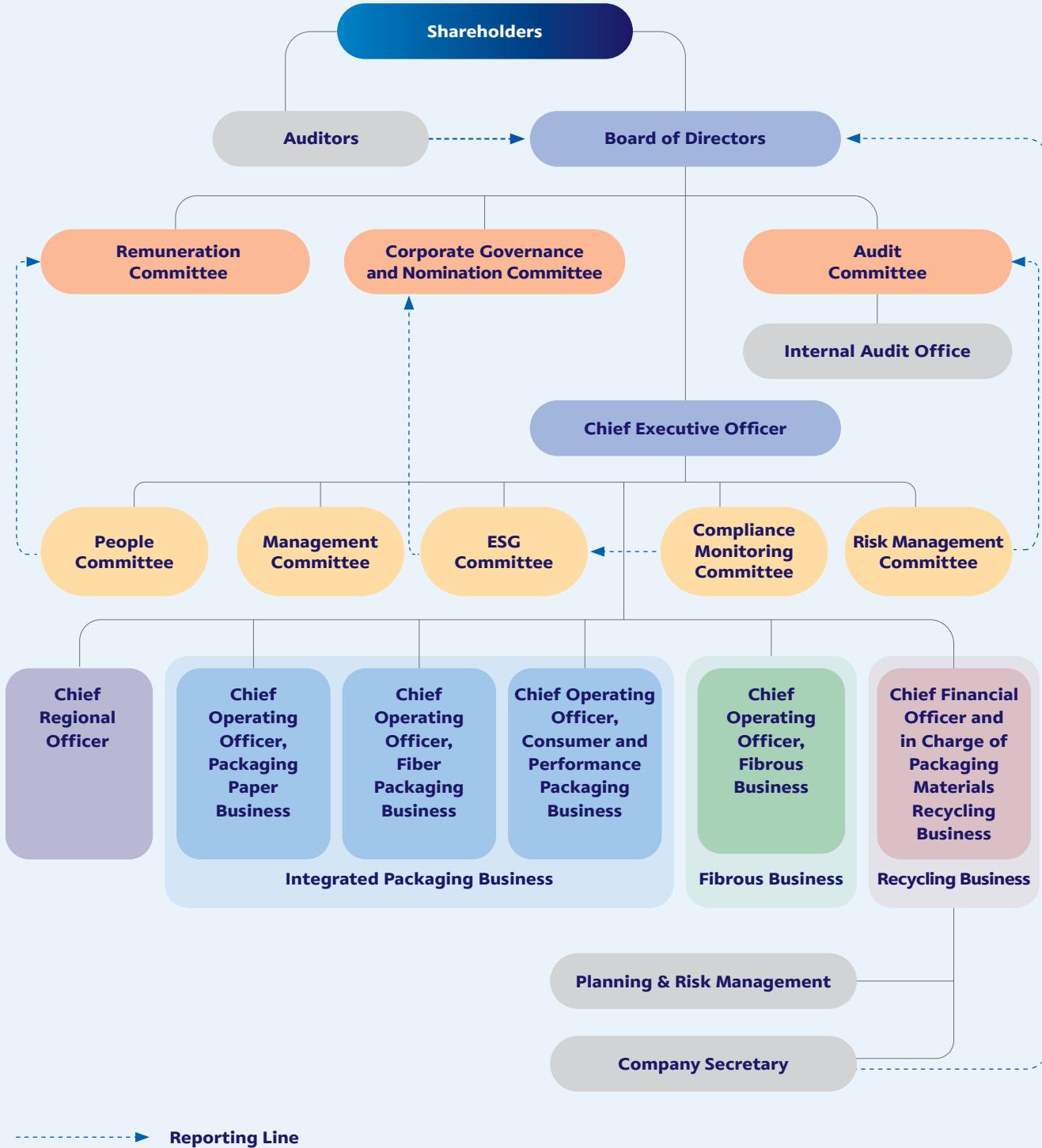
SCGP's corporate governance in 2022 continually advanced from that of the prior year. For this reason, SCGP successfully passed the good corporate governance assessment and received a wide range of awards as follows:

- Rated as the ASEAN Asset Class assessed by the ASEAN Corporate Governance Scorecard for the year 2021 by the Thai Institute of Directors Association (IOD) (announced in 2022).
- A 5-star excellent rating in the assessment by the 2022 Corporate Governance Survey of Listed Companies (CGR Checklist) by the Thai Institute of Directors Association (IOD).
- Listed as one of sustainable stocks or Thailand Sustainability Investment (THSI) and SET THSI Index for 2022 by the Stock Exchange of Thailand.
- The SET Awards 2022 offered by the Stock Exchange of Thailand in the class of Business Excellence in Best Innovative Company Awards thanks to innovative nano-cellulose fibers for the packaging paper industry; and in Sustainability Excellence in the Best Sustainability Awards which is given to the listed companies with market capitalization over Baht 100 billion for the outstanding implementation of sustainable business practices, commitment to good corporate governance, emphasis on the stakeholders, and economic growth in parallel with the balanced development of society and the environment.
- A 100% rating in the quality assessment of the 2022 Annual General Meeting of Shareholders Quality Assessment (AGM Checklist) held by the Thai Investors Association.

# **Corporate Governance Structure and Important Information on the Board of Directors, Sub-committees, Executives, Employees, and Others**

# Corporate Governance Structure

At the Board of Directors' meeting No. 240 (8/2022) on November 29, 2022, SCGP's corporate governance structure revision was approved, effective from November 29, 2022; a reporting line was added from the ESG Committee to the Corporate Governance and Nomination Committee. The structure is as follows:



# Information on the Board of Directors

## Composition of the Board of Directors

SCGP's Board of Directors consists of 12 directors, eight of whom (or more than half of the total number of directors) are independent directors, with 11 non-executive directors accounting for more than 90% of the total number of directors, and 3 independent female directors accounting for 25% of the total number of directors. The Chairman of the Board is an independent director and does not hold the position of Chief Executive Officer. In addition, the Board sets a condition that an independent director must not hold more than 0.5% of the total number of voting shares in SCGP, its parent company, a subsidiary, an associate, a major shareholder, or a controlling person, including shares held by related persons. This provision is more stringent than the criteria defined in the notification of the Capital Market Supervisory Board.

SCGP defines the structure of the board of directors with an emphasis on the Board Diversity consisting of the qualified members with a diverse range of knowledge, skills, experiences,

and expertise that are beneficial to the operation of SCGP and its subsidiaries (the Board Skills Matrix) and in line with its business strategy. Other required qualifications of individual directors include morality and accountability, leadership, exemplary vision, and the ability to devote sufficient time; all are required without limitation to nor discrimination on the grounds of gender, age, race, ethnicity, nationality, country of origin, religion, cultural background, and tradition, etc.

In 2022, the Board of Directors reviewed the Board Skills Matrix to cover specific expertise, which would be beneficial to the SCGP's business in accordance with the medium-term plans (5 years) focusing on expanding business to reach consumers and access international growth, as well as becoming the leading company in ESG (Environmental, Social, and Governance). A total of 11 fields of expertise, as well as the required number of directors in each field, were established. The current Board consists of members with a diverse range of knowledge and skills, fulfilling all 11 fields of expertise and exceeding the minimum number required in each field.

## Directors and Individual Controlling Persons

As of December 31, 2022, members of the Board of Directors are as follows:

Director	Position
1. Mr. Prasarn Trairatvorakul	Chairman and Independent Director
2. Mr. Thammasak Sethaudom	Vice Chairman and Member of the Remuneration Committee
3. Police Colonel Thumnithi Wanichthanom	Director
4. Mrs. Kaisri Nuengsigkapian	Independent Director and Chairman of the Audit Committee
5. Mr. Chalee Chantanayyingyong	Independent Director and Member of the Audit Committee
6. Mrs. Pongpen Ruengvirayudh	Independent Director and Member of the Audit Committee
7. Professor Kitipong Urappepatanapong	Independent Director and Chairman of the Corporate Governance and Nomination Committee
8. Mr. Vanus Taepaisitphongse	Independent Director and Chairman of the Remuneration Committee
9. Mr. Vibul Tuangsittisombat	Independent Director and Member of the Remuneration Committee
10. Mrs. Suphajee Suthumpun	Independent Director and Member of the Corporate Governance and Nomination Committee
11. Mr. Thiraphong Chansiri	Director and Member of the Corporate Governance and Nomination Committee
12. Mr. Wichan Jitpukdee	Director and Chief Executive Officer

Remarks : (1) Directors No. 1–11 are non-executive directors.

Director No. 12 is an executive director.

- (2) Directors No. 1, 4, 5, 6, 7, 8, 9 and 10 are independent directors who meet all SCGP's criteria of an independent director, which are more stringent than those stipulated by the Capital Market Supervisory Board.
- (3) Directors No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 are directors who meet all Dow Jones Sustainability Index (DJSI)'s criteria of an independent director, details of which can be found on [www.SCGPackaging.com](http://www.SCGPackaging.com).
- (4) Directors No. 4 and 6 are directors who have sufficient knowledge and experience to be able to perform their duties in reviewing the reliability of SCGP's financial statements.
- (5) Directors authorized to sign for and with binding effect on the Company are any two of the three directors, namely Mr. Prasarn Trairatvorakul, Mr. Thammasak Sethaudom, or Mr. Wichan Jitpukdee, who must jointly sign their names.
- (6) The Board of Directors adopts a one-tier board system, comprising a structure of both executive directors and non-executive directors. Some of the latter are also independent directors.

### Structure of the Board of Directors



### Average Tenure of Directors in 2022: 2.84 Years

Expertise of the Board of Directors (number of directors in each field)  
as per the Board Skills Matrix for the year 2022

SCGP's Core Business	Businesses in SCGP's Supply Chain	Overseas Investment and International Business	Consumer Markets, Foodservice Packaging Markets, or Healthcare and Medical Packaging Markets
<b>10</b>	<b>6</b>	<b>9</b>	<b>3</b>
<b>Strategic Planning</b>	<b>Risk Management and Crisis Management</b>	<b>Large Organization Management and Human Resource Management</b>	<b>Innovation and Technology</b>
<b>12</b>	<b>10</b>	<b>10</b>	<b>5</b>
<b>Financial Statements Reviewing</b>	<b>Environmental, Social, and Governance (ESG)</b>	<b>Business and Investment Laws, as well as Merger and Acquisition</b>	<b>4</b>
<b>9</b>	<b>8</b>		

Further detailed information on the Board of Directors is under the Board of Directors and Management Committee Information section of this report.

### Roles and Responsibilities of the Board of Directors

The scope of duties of the Board of Directors, Chairman of the Board and Chief Executive Officer are detailed in full in the Charter of the Board of Directors and posted on SCGP's website ([www.scgpackaging.com](http://www.scgpackaging.com)), and summarized in the Corporate Governance Policy section of this report.

## Sub-committees Information

The Board of Directors established sub-committees to monitor, screen information, and provide suggestions to the Board of Directors. Each sub-committee was encouraged to work independently and impartially. The Chairman of the Board is not a chairman or member of any sub-committee. Charters/composition, duties and responsibilities of the sub-committees are posted on SCGP's website ([www.SCGPackaging.com](http://www.SCGPackaging.com)) and summarized in the Corporate Governance Policy section of this report.

### (A) Audit Committee

As of December 31, 2022, the Audit Committee consists of the following three independent directors:

<b>Director</b>	<b>Position</b>
1. Mrs. Kaisri Nuengsigkapian*	Chairman of the Audit Committee
2. Mr. Chalee Chantanayyingyong	Member of the Audit Committee
3. Mrs. Pongpen Ruengvirayudh*	Member of the Audit Committee

Remark : \*Directors who have sufficient knowledge and experience to be able to perform their duties in reviewing the reliability of SCGP's financial statements.

### (B) Corporate Governance and Nomination Committee

As of December 31, 2022, the Corporate Governance and Nomination Committee consists of the following three directors:

<b>Director</b>	<b>Position</b>
1. Professor Kitipong Urappepatanapong	Chairman of the Corporate Governance and Nomination Committee
2. Mrs. Suphajee Suthumpun	Member of the Corporate Governance and Nomination Committee
3. Mr. Thiraphong Chansiri	Member of the Corporate Governance and Nomination Committee

Remark : Directors No. 1 and 2 are independent directors.

### (C) Remuneration Committee

As of December 31, 2022, the Remuneration Committee consists of the following three directors:

<b>Director</b>	<b>Position</b>
1. Mr. Vanus Taepaisitphongse	Chairman of the Remuneration Committee
2. Mr. Vibul Tuangsithisombat	Member of the Remuneration Committee
3. Mr. Thammasak Sethaudom	Member of the Remuneration Committee

Remarks : (1) Mr. Thammasak Sethaudom was appointed as a member of the Remuneration Committee, replacing Mr. Cholanat Yanaranop, effective from June 1, 2022.  
(2) Directors No. 1 and 2 are independent directors.

## (D) ESG Committee

As of December 31, 2022, the ESG Committee consists of the following one director and 31 managers:

<b>Position in SCGP</b>	<b>Position in ESG Committee</b>
1. Chief Executive Officer	Chairman
2. Technology and Digital Platform Director	Commissioner
3. Corporate Human Resources Director	Commissioner
4. Innovation and Product Development Director	Commissioner
5. Chief Financial Officer and in Charge of Packaging Materials Recycling Business	Commissioner & ESG-Governance Dimension Chief
6. Business Planning Director	Commissioner
7. Director – Recycling Business	Commissioner
8. Manager – Sourcing Management Office	Commissioner
9. Engineering Director	Commissioner
10. Safety and Productivity Management Manager	Commissioner
11. Manager – Compliance Management and BCM	Commissioner
12. Manager – Brand Management	Commissioner
13. Chief Operating Officer, Fibrous Business	Commissioner & ESG-Social Dimension Chief
14. Global Foodservice Packaging Head	Commissioner
15. Director – PPPC Mill	Commissioner
16. Director – TPC Mill	Commissioner
17. Managing Director, SFT	Commissioner
18. Chief Operating Officer, Packaging Paper Business	Commissioner & ESG-Environmental Dimension Chief
19. Director – Banpong Mill	Commissioner
20. Director – Wangsala Mill	Commissioner
21. Managing Director, Thai Cane Paper	Commissioner
22. Director – Energy Division	Commissioner
23. Enterprise Marketing Director	Commissioner
24. Manager (President & CEO, UPPC)	Commissioner
25. General Director, VKPC	Commissioner
26. President Director, Fajar	Commissioner
27. Chief Operating Officer, Fiber Packaging Business	Commissioner
28. Manufacturing Director TCSP	Commissioner
29. Director of CIP Regional Operation	Commissioner
30. Chief Operating Officer, Consumer and Performance Packaging Business	Commissioner
31. ESG and Sustainability Director	Commissioner and Secretary
32. ESG Associate Director	Commissioner and Assistant Secretary

Remark : Member No. 1, Chairman of the Committee, is a director of SCGP.

## (E) Risk Management Committee

As of December 31, 2022, the Risk Management Committee consists of the following one director and 11 managers:

<b>Position in SCGP</b>	<b>Position in Risk Management Committee</b>
1. Chief Executive Officer	Chairman and Director
2. Chief Financial Officer and in Charge of Packaging Materials Recycling Business	Vice Chairman and Director
3. Chief Operating Officer, Consumer and Performance Packaging Business	Director
4. Chief Operating Officer, Fiber Packaging Business	Director
5. Chief Operating Officer, Packaging Paper Business	Director
6. Chief Operating Officer, Fibrous Business	Director
7. Chief Regional Officer	Director
8. Technology and Digital Platform Director	Director
9. Safety and Productivity Management Director	Director
10. Internal Audit Director	Director
11. Business Planning Director	Director
12. Manager - Planning & Risk Management	Secretary and Director

Remark : Member No. 1, Chairman of the Committee, is a director of SCGP.

# Information on the Executives

## Names and Positions of the Executives

### (A) Executives

As of December 31, 2022, the executives comprise the following eight persons:

Executive	Position
1. Mr. Wichan Jitpukdee	Chief Executive Officer
2. Mr. Wichan Charoenkitsupat	Chief Operating Officer, Packaging Paper Business
3. Mr. Jak jit Klomsing	Chief Operating Officer, Fiber Packaging Business
4. Mr. Karan Tejasen	Chief Operating Officer, Consumer and Performance Packaging Business
5. Mr. Suchai Korprasertsri	Chief Operating Officer, Fibrous Business
6. Mr. Danaidej Ketsuwan	Chief Financial Officer and in Charge of Packaging Materials Recycling Business
7. Mr. Sompob Witworrasakul	Chief Regional Officer
8. Mrs. Nadarat Pomtri	Accounting Director

Remarks : (1) Mr. Wichan Charoenkitsupat was appointed as the Chief Operating Officer, Packaging Paper Business, replacing Mr. Sangchai Wiriyauampaiwong, effective from September 1, 2022.  
(2) Mr. Jak jit Klomsing was appointed as the Chief Operating Officer, Fiber Packaging Business, replacing Mr. Suchai Korprasertsri, effective from September 1, 2022.  
(3) Mr. Suchai Korprasertsri was appointed as the Chief Operating Officer, Fibrous Business, replacing Mr. Wichan Charoenkitsupat, effective from September 1, 2022.  
(4) Mr. Danaidej Ketsuwan was additionally appointed to be in charge of the Packaging Materials Recycling Business, effective from September 1, 2022.

Further detailed information on the executives is under the Board of Directors and Management Committee Information section of this report.

### (B) Management Committee

As of December 31, 2022, the Management Committee comprises the following seven members:

Member	Position
1. Mr. Wichan Jitpukdee	Chief Executive Officer
2. Mr. Wichan Charoenkitsupat	Chief Operating Officer, Packaging Paper Business
3. Mr. Jak jit Klomsing	Chief Operating Officer, Fiber Packaging Business
4. Mr. Karan Tejasen	Chief Operating Officer, Consumer and Performance Packaging Business
5. Mr. Suchai Korprasertsri	Chief Operating Officer, Fibrous Business
6. Mr. Danaidej Ketsuwan	Chief Financial Officer and in Charge of Packaging Materials Recycling Business
7. Mr. Sompob Witworrasakul	Chief Regional Officer

# Board of Directors' Profile



## **Mr. Prasarn Trairatvorakul**

Age 70 years

Director qualified as an Independent Director (From August 26, 2019)

### **Position**

- Chairman
- Independent Director

### **Date of Appointment as a Director**

June 21, 2019

### **Education/Training**

- Doctor of Business Administration, Harvard University, Massachusetts, USA
- Master in Business Administration, Harvard University, Massachusetts, USA
- Master of Engineering in Industrial Engineering and Management, Asian Institute of Technology, Thailand
- Bachelor of Engineering in Electrical Engineering (First Class Honors), Chulalongkorn University
- Honorary Doctor of Philosophy, National Institute of Development Administration
- Honorary Doctor of Economics, Chulalongkorn University
- Honorary Doctor of Economics, The University of the Thai Chamber of Commerce
- Honorary Doctor of Economics, Khon Kaen University
- Honorary Doctor of Business Administration, Rajamangala University of Technology Suvarnabhumi

### **Knowledge/Skills/Expertise**

- Core Business of the Company and Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Consumer Markets, Food Packaging Markets, and Healthcare and Medical Markets
- Investment in Foreign Countries, International or Regional Business Administration and Cultural Difference Management
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Business and Investment Laws, as well as Merger and Acquisition
- Environmental, Social and Governance

### **Director Training**

- Role of the Chairman Program (RCP) 2/2001, Thai Institute of Directors Association
- Director Certification Program (DCP) 21/2002, Thai Institute of Directors Association

- Ethical Leadership Program (ELP) 2/2015, Thai Institute of Directors Association
- Board Nomination and Compensation Program (BNCP) 5/2018, Thai Institute of Directors Association
- IT Governance and Cyber Resilience Program (ITG) 15/2020 Thai Institute of Directors Association

### **Board Member/Management of other Listed Company in Thailand (3)**

- Since 2019 Chairman, Central Retail Corporation Public Company Limited
- Since 2019 Chairman, Pruksa Holding Public Company Limited (Director qualified as an Independent Director effective from 2016)
- Since 2017 Independent Director and Chairman of Remuneration Committee, The Siam Cement Public Company Limited (Director qualified as an Independent Director effective from August 26, 2019)

### **Position in other Company/Organization/Institution (14)**

- Since 2021 Chairman of the Board of Governors, The Stock Exchange Thailand
- Since 2021 Chairman of the Board, Thailand Futures Exchange Public Company Limited (TFEX)
- Since 2021 Chairman of the Board, Thailand Capital Market Development Fund (CMDF)
- Since 2021 Director, Vajiravudh College
- Since 2018 Chairman of the Board, Education Equity Fund
- Since 2018 Director, Siam Sindhorn Co., Ltd.
- Since 2018 Director, CPB Equity Company Limited
- Since 2017 Member, Asset Management Committee of Vajiravudh College
- Since 2017 Member, Committee on King's Scholarships for Thai Buddhist Monks
- Since 2017 Chairman of the Board of Directors, Thailand Development Research Institute (TDRI)
- Since 2016 Senior Advisor, CENTRAL Group
- Since 2016 Member, Property Management Committee, Chulalongkorn University
- Since 2015 Advisor, Crown Property Bureau
- Since 1998 Director, Thai Red Cross Society

### **5-year Past Experiences and/or Remarkable Positions**

- 2019 - 2022 Chairman of the Board, Mihidol Witayanusorn
- 2018 - 2021 Director, Prince of Songkla University
- 2018 - 2020 Distinguished Scholar, Faculty of Commerce and Accountancy, Chulalongkorn University
- 2017 - 2019 Chairman, Economic Reform Committee
- 2017 - 2019 Director, Education Reform Committee
- 2017 - 2019 Chairman, Public Procurement Committee
- 2015 - 2019 Director, National Anti-Corruption Commission
- 2015 - 2019 Director, Committee to Enhance Competitiveness of the Nation
- 2014 - 2019 Director, State Enterprise Supervisory Board
- 2010 - 2015 Governor, The Bank of Thailand
- 2004 - 2010 President, KASIKORN BANK Public Company Limited
- 1999 - 2003 Secretary-General, The Securities and Exchange Commission, Thailand

### **Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by spouse or minor children: (None)

### **Family Relationship among Directors and Executives**

(None)

**Mr. Thammasak Sethaudom**

Age 53 years

**Position**

- Vice Chairman
- Member of the Remuneration Committee

**Date of Appointment as a Director**

- October 1, 2018

**Education/Training**

- Master of Business Administration (Distinction), London Business School, United Kingdom
- Bachelor of Engineering, Electrical Engineering, Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business School, USA
- Executive Development Program, Columbia University, USA
- Management Development Program, the Wharton School, the University of Pennsylvania, USA
- Capital Market Academy Program, Thailand

**Knowledge/Skills/Expertise**

- Core Business of the Company and Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations

- Investment in Foreign Countries, International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Environmental, Social and Governance
- Economics and Investment
- Marketing, Accounting and Finance

**Director Training**

- Director Accreditation Program (DAP) 159/2019, Thai Institute of Directors Association
- Director Certification Program (DCP) 298/2020, Thai Institute of Directors Association

**Board Member/Management of other Listed Company in Thailand (1)**

- Since 2022 Executive Vice President, The Siam Cement Public Company Limited

**Position in other Company/Organization/Institution (24)**

- Since 2021 Director, Harvard Business School Association of Thailand (HBSATH)
- Since 2019 Director, Thai Listed Companies Association
- Since 2018 Commissioner, PT Chandra Asri Petrochemical Tbk, Indonesia\*
- Director of SCG's subsidiaries, associates, and other companies which are non-listed in the Stock Exchange of Thailand, as assigned (21)

**5-year Past Experiences and/or Remarkable Positions**

- 2018 - 2021 Vice President-Finance and Investment & CFO, The Siam Cement Public Company limited
- 2012 - 2018 General Director, Long Son Petrochemicals Company Limited, Vietnam
- 2008 - 2012 Deputy General Director, Long Son Petrochemicals Company Limited, Vietnam

**Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by Spouse or minor children: (None)

**Family Relationship among Directors and Executives**

(None)


**Police Colonel Thumnithi Wanichthanom**
**Age 64 years**
**Position**

Director

**Date of Appointment as a Director**

June 1, 2022

**Education/Training**

- Master of Public Administration, Western Kentucky University, USA
- Public Administration, Royal Police Cadet Academy

**Knowledge/Skills/Expertise**

- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Large Organization Management and Human Resource Management
- Environmental, Social and Governance

**Director Training**

(None)

**Board Member/Management of other Listed Company in Thailand (2)**

- Since 2021      Director and Member of the Corporate Social Responsibility Committee,  
                          SCB X Public Company Limited
- Since 2020      Member of the CSR Committee for Sustainable Development
- Since 2018      Director,  
                          The Siam Cement Public Company Limited

**Position in Other Company/Organization/Institution (19)**

- Since 2022      Director, Auto X Company Limited
- Since 2022      Director, Alpha X Company Limited
- Since 2018      Director and Member of the Corporate Social Responsibility Committee, The Siam Commercial Bank Public Company Limited
- Since 2018      Vice Chairman, The Deves Insurance Public Company Limited
- Since 2018      Senior Deputy Director-General, The Crown Property Bureau
- Since 2018      Vice Chairman, CPB Equity Co., Ltd.
- Since 2018      Chairman of the Board, Suvarnachad Company Limited
- Since 2018      Vice Chairman, Doi Kham Food Products Company Limited
- Since 2018      Vice Chairman, The United Cinema Company Limited
- Since 2018      Vice Chairman, Sribathana Company Limited
- Since 2018      Vice Chairman, Sridharani Company Limited
- Since 2018      Vice Chairman, Baanboung Vetchakij Company Limited
- Since 2018      Director, Baan-Boung Vetchakit 904 Company Limited
- Since 2018      Director, Mongkhol Chaipattana Company Limited
- Since 2018      Vice Chairman, Siamsinthorn Company Limited
- Since 2018      Vice Chairman, Siam Bioscience Company Limited
- Since 2018      Vice Chairman, Apexcela Company Limited
- Since 2017      Grand Chamberlain of the Bureau of the Royal Household
- Since 2017      Director of The Privy Purse

**5-year Past Experiences and/or Remarkable Positions**

- 1997 - 2016      Deputy Chamberlain, Personal Affairs Division of H.R.H the Crown Prince, the Bureau of the Royal Household

**Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by Spouse or minor children: (None)

**Family Relationship among Directors and Executives**

(None)

**Mrs. Kaisri Nuengsigkapian****Age 61 years**

- Director qualified as an Independent Director (From June 1, 2019)

**Positions**

- Independent Director
- Chairman of the Audit Committee

**Date of Appointment as a Director**

- June 1, 2019

**Education/Training**

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University
- Certified Public Accountant

**Knowledge/Skills/Expertise**

- Core Business of the Company and Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Accounting and Finance

**Director Training**

- Director Certification Program (DCP) 0/2000, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) 30/2013, Thai Institute of Directors Association
- Role of the Compensation Committee Program (RCC) 16/2013, Thai Institute of Directors Association
- Advance Audit Committee Program (AACP) 36/2020, Thai Institute of Directors Association
- Director Leadership Certification Program 0/2020, Thai Institute of Directors Association
- Subsidiary Governance Program (SGP) 1/2022, Thai Institute of Directors Association
- Outbound Investment (online) (RFP) 8/2022, Thai Institute of Directors Association

**Board Member/Management of other Listed Company in Thailand (3)**

- Since 2022 Independent Director, Chairperson of the Audit Committee, Member of the Credit and Investment Screening Committee and Member of the Risk Oversight Committee, The KASIKORN BANK Public Company Limited
- Since 2020 Independent Director, Indorama Ventures Public Company Limited
- Since 2016 Chairman of the Board of Directors, Mc Group Public Company Limited

**Position in other Company/Organization/Institution (4)**

- Since 2021 Chairman, Appeal Committee, The Stock Exchange of Thailand
- Since 2019 Chairman, Buono (Thailand) Public Company Limited
- Since 2018 Directors, Thai Institute of Directors
- Since 2016 Director, TOP T 2015 Company Limited

**5-year Past Experiences and/or Remarkable Positions**

- 2016 - 2022 Director and Treasurer, Rakkaew Foundation
- 2016 - 2022 Member of Corporate Governance Committee, Bank of Thailand
- 2018 - 2019 Independent Director and Member of the Audit Committee, SCG Ceramics Public Company Limited
- 2016 - 2017 Advisor, Securities and Exchange Commission, Thailand
- 2003 - 2015 President, KPMG Phoomchai Holdings Company Limited
- 2010 - 2014 Director, The Stock Exchange of Thailand

**Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by Spouse or minor children: (None)

**Family Relationship among Directors and Executives**

(None)



### **Mr. Chalee Chantanayyingyong**

**Age 66 years**

- Director qualified as an Independent Director (From June 21, 2019)

#### **Positions**

- Independent Director
- Member of the Audit Committee

#### **Date of Appointment as a Director**

- June 21, 2019

#### **Education/Training**

- Master in Business Administration (Finance), Texas A&M University, USA
- Bachelor of Business Administration (Money and Banking), Thammasat University
- Top Executive Program, Class 5, Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCoT), Class 5, Commerce Academy, University of the Thai Chamber of Commerce
- Advance Senior Executive Program (ASEP) (2006), SASIN GRADUATE Institute of Business Administration of Chulalongkorn University in collaboration with Kellogg School of Management, Northwestern University, Chicago, IL, USA

#### **Knowledge/Skills/Expertise**

- Core Business of the Company
- Vision, Mission and Policy Setting and Strategic Planning
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Business and Investment Laws, Merger and Acquisition, as well as Rules, Regulations and Practices related to Capital Market and Financial Institutions
- Environmental, Social and Governance
- Financial Statements Reviewing

#### **Director Training**

- Director Certification Program (DCP) (7/2001), Thai Institute of Directors Association
- Anti-corruption for Executive Program (ACEP) (8/2013), Thai Institute of Directors Association
- Advanced Audit Committee Program (AACP) (38/2020), Thai Institute of Directors Association
- Risk Management Program for Corporate Leaders (RCL) (21/2020), Thai Institute of Directors Association
- Boards that Make a Difference (BMD) (10/2020), Thai Institute of Directors Association
- Director's Briefing 5/2022: Leadership that Shapes the Future, Thai Institute of Directors Association
- Board Nomination and Compensation Program (BNCP) 14/2022, Thai Institute of Directors Association
- Director's Briefing 9/2022: Geopolitical Risk and Opportunity, Thai Institute of Directors Association
- Hot Issue for Directors: What directors need to know about digital assets? 2022, Thai Institute of Directors Association
- Seminar: "Easy listening: Accounting knowledge that AC should not miss" 2022, The Securities and Exchange Commission (SEC)
- BOT Digital Finance Conference 2022, Bank of Thailand (BOT)
- IOD National Director Conference 2022 - Wisdom for Future: Harmonizing the Diverse Boards, Thai Institute of Directors Association
- Facilitator for Director Accreditation Program (DAP) and Audit Committee Program (ACP), Thai Institute of Directors Association

#### **Board Member/Management of other Listed Company in Thailand (1)**

- Since 2022 Independent Director, Member of the Audit Committee, and Chairman of the Compliance and Governance Committee, Kiatnakin Phatra Bank Plc.

#### **Position in other Company/Organization/Institution (4)**

- Since 2019 Chairman, Disciplinary Sub-committee, Thailand Clearing House Company Limited
- Since 2019 Chairman, Appealing Committee, Thailand Futures Exchange Public Company Limited
- Since 2018 Director, Board of Directors, Education Equity Fund
- Since 2013 Director, Board of Directors, the Anti-Corruption Organization of Thailand

#### **5-year Past Experiences and/or Remarkable Positions**

- 2019 - 2021 Chairman, Appealing Committee, The Stock Exchange of Thailand
- 2019 - 2021 Chairman, Corporate Governance and Nomination Committee, SCG Packaging Public Company Limited
- 2017 - 2020 Member, Financial Institutions Policy Committee, The Bank of Thailand
- 2017 - 2018 Chairman, Audit Committee, The Bank of Thailand
- 2015 - 2018 Member, Corporate Governance Committee, The Bank of Thailand
- 2015 - 2018 Director, Board of Directors, The Bank of Thailand
- 2009 - 2015 Deputy Secretary-General, The Securities and Exchange Commission, Thailand

#### **Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by spouse or minor children: (None)

#### **Family Relationship among Directors and Executives**

(None)



### **Mrs. Pongpen Ruengvirayudh**

**Age 67 years**

- Director qualified as an Independent Director (From June 21, 2019)

#### **Positions**

- Independent Director
- Member of the Audit Committee

#### **Date of Appointment as a Director**

- June 21, 2019

#### **Education/Training**

- Master of Business Administration (Finance), Katholieke University, Belgium
- MS in Accounting, Thammasat University
- Bachelor of Accounting (Accounting), Thammasat University
- Advanced Management Program, Wharton School of Management, USA
- Top Executives Program, Class 3, Capital Market Academy
- Thammasat Leadership Program, Class 3, Thammasat University
- Programs related to International Portfolio Investment, Risk Management, Monetary Policy and Central Bank

#### **Knowledge/Skills/Expertise**

- Core Business of the Company
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management

#### **Director Training**

- Director Certification Program (DCP) 262/2018, Thai Institute of Directors Association
- Advanced Audit Committee Program (AACP) 46/2022, Thai Institute of Directors Association
- Subsidiary Governance Program (SGP) 1/2022, Thai Institute of Directors Association
- Outbound Investment (RFP) 8/2022, Thai Institute of Directors Association
- Seminar: “Easy listening: Accounting knowledge that AC should not miss EP.2”, The Securities and Exchange Commission (SEC)
- Seminar: “Cyber Resilience Leadership: SMART Goal”, Bank of Thailand (BOT) jointly held with The Securities and Exchange Commission (SEC) and Office of Insurance Commission (OIC)

#### **Board Member/Management of other Listed Company in Thailand (1)**

- Since 2022 Independent Director, Member of the Audit Committee and Member of the Corporate Governance Committee, TISCO Financial Group Public Company Limited

#### **Position in other Company/Organization/Institution (8)**

- Since 2022 Independent Director and Member of the Audit Committee, TISCO Bank Public Company Limited
- Since 2021 Member of the Board Committee, Corporate Bond Stabilization Fund (BSF), Bank of Thailand
- Since 2021 Chairman of the Financial Policy Committee, Thai Health Promotion Foundation
- Since 2020 Member of the Audit Committee, Dhurakij Pundit University
- Since 2019 Chairman of the EEF Investment Supervision Sub-Committee, Equitable Education Fund
- Since 2019 Qualified Member, Dhurakij Pundit University Council
- Since 2019 Associate Judge, Central Intellectual Property and International Trade Court
- Since 2017 Chairman, Supervisory Board of The ABF Thailand Bond Index Fund (ABFTH), The Bank of Thailand

#### **5-year Past Experiences and/or Remarkable Positions**

- 2016 - 2021 Member, Investment Management Sub-Committee, Social Security Fund
- 2018 - 2020 Member, Risk Management Sub-Committee, Government Pension Fund
- 2016 - 2020 Chairman, Sukhumvit Asset Management Company Limited
- 2018 Director, Board of Directors, Government Savings Bank
- 2013 - 2017 Member, The 19<sup>th</sup> National Wage Committee, Ministry of Labour
- 2015 - 2016 Governor’s Advisor, The Bank of Thailand
- 2012 - 2015 Director, Board of Directors, Government Pension Fund
- 2012 - 2015 Director, Board of Directors, The Bank of Thailand Member, Monetary Policy Committee, The Bank of Thailand Member, Financial Institutions Policy Committee, The Bank of Thailand Deputy Governor, Monetary Stability, The Bank of Thailand
- 2010 - 2011 Assistant Governor, Financial Markets Operations Group, The Bank of Thailand
- 2009 - 2010 Senior Director, Risk Management Policy Department, Financial Institutions Policy Group, The Bank of Thailand
- 2005 - 2009 Senior Director, Financial Markets and Reserve Management Department, Financial Markets Operations Group, The Bank of Thailand

#### **Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by Spouse or minor children: (None)

#### **Family Relationship among Directors and Executives**

(None)



## Professor Kitipong Urappepatanapong

Age 67 years

- Director qualified as an Independent Director (From August 21, 2019)

### Positions

- Independent Director
- Chairman of the Corporate Governance and Nomination Committee

### Date of Appointment as a Director

- August 21, 2019

### Education/Training

- LL.M., The University of British Columbia, Canada
- Master of Laws, Chulalongkorn University
- Admitted as Thai Barrister-at-law, Institute of Legal Education of the Thai Bar
- Bachelor of Laws (Second Class Honors), Chulalongkorn University
- Honorary Doctorate Degree, Faculty of Law, Hatyai University
- Diploma, National Defence course for the joint State-Private Sectors, Class 18, Thai National Defence College (NDC)
- Executive Program in Energy Literacy for a Sustainable Future, Class 8, Thailand Energy Academy (TEA)
- Top Executive Program in Commerce and Trade (TEPCoT), Class 1, Commerce Academy, University of the Thai Chamber of Commerce
- Senior Executives Program, Class 4, Capital Market Academy
- The Program for Junior Executives on Justice Administration, Class 9, Judicial Training Institute
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, Class 5,
- King Prajadhipok's Institute
- Intermediate Certificate Course - Good Governance for Medical Executives, Class 5, King Prajadhipok's Institute
- Certificate of Families in Business Program, Harvard Business School, USA
- Director Executive Program, School of Management, Yale University, USA
- Certificate of Completion on Company Directors, Australian Institute of Company Directors, Australia
- Certificate Executive Program, J.L. Kellogg School of Management, Northwestern University, USA
- Notary Public Certificate, Lawyers Council of Thailand Under the Royal Patronage

### Knowledge/Skills/Expertise

- Core Business of the Company
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Business and Investment Laws, as well as Merger and Acquisition
- Family Business Management for Sustainable Succession Planning

### Director Training

- Directors Certification Program (DCP) 0/2000, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) 21/2009, Thai Institute of Directors Association

- IT Governance and Cyber Resilience Program (ITG) 15/2020, Thai Institute of Directors Association
- Director Leadership Certification Program (DLCP) 1/2021, Thai Institute of Directors Association

### Board Member/Management of other Listed Company in Thailand (1)

- Since 2019 Independent Director and Member of the Enterprise Risk Management Committee, Pruksa Holding Public Company Limited

### Position in other Company/Organization/Institution (26)

- Since 2022 Independent Director, Chairman of the Sustainable Development Committee, and Member of the Nomination and Remuneration Committee, CJ More Co., Ltd.
- Since 2022 Committee Member, Committee on Economic and Investment Stimulus Measures to Attract High Potential Foreigners to Thailand
- Since 2022 Member of the Board of Governors, The Stock Exchange of Thailand
- Since 2022 Member of the Advisory Board of School of Law, University of the Thai Chamber of Commerce (UTTC)
- Since 2022 Director (Non-Executive Director and Non-Controlling Person) and Member of the Audit and Risk Committee, ThaiNamthip Corporation Co., Ltd.
- Since 2022 Chairman of the Board, Thai Institute of Directors Association
- Since 2022 Member of the Hatyai University Council
- Since 2022 Member of the ESG
- Since 2021 Independent Director, SCG Chemicals Public Company Limited
- Since 2021 Chairman, The Thai Credit Retail Bank Public Company Limited
- Since 2021 Advisor, Baker & McKenzie Company Limited
- Since 2021 Chairman, VNB Holding Company Limited
- Since 2020 Chairman and Independent Director, Chotiwat Manufacturing Public Company Limited
- Since 2020 Member of the Sub-Committee, Office of Social Enterprise Promotion
- Since 2020 Member of the Law Sub-Committee, The Board of Investment of Thailand
- Since 2020 Advisor to the Board of Investment, The Board of Investment of Thailand
- Since 2020 Member of the Economics Situation Administration Committee, Center for COVID-19 Situation Administration (CCSA)
- Since 2020 Audit Committee, Bangkok University
- Since 2019 Member of the Professional Expert of Steering Committee, Office of the National Higher Education, Science, Research and Innovation Policy Council
- Since 2018 Honorary Member of the National Reform Commission (Legal and member of the Critical Issues Committee)
- Since 2018 Member of the Professional Expert Committee, National Commission for Justice Administration Development
- Since 2017 Chairman, Cheevamitr Social Enterprise Company Limited
- Since 2017 Vice President, National Reform Committee on Legal
- Since 2012 Chairman, Tax and Regulatory Commission, Thai Chamber of Commerce
- Since 1999 Director, Siam Piwat Retail Holding Company Limited
- Since 1999 Executive Director, Siampiwat Company Limited
- Since 1993 Director, Business Strategic Holding Company Limited

### 5-year Past Experiences and/or Remarkable Positions

- 2022 Director, ThaiNamthip Commercial Co., Ltd.
- 2022 Director, ThaiNamthip Manufacturing Co., Ltd.
- 2020 - 2022 Member of the Corporate Governance Committee, Thai Institute of Directors Association
- 2021 Independent Director and Member of the Audit and Risk Committee, SCG Chemicals Company Limited
- 2019 - 2021 Director, The Stock Exchange of Thailand
- 2018 - 2021 Director, Rachakarn Asset Management Company Limited
- 2017 - 2021 Director, The Hub 99 Company Limited
- 2009 - 2021 Chairman, Baker & McKenzie Company Limited
- 2014 - 2015 Member, National Reform Council
- 1999 Independent Director, Krung Thai Bank Public Company Limited

### Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: (None)
- Held by spouse or minor children: (None)

### Family Relationship among Directors and Executives

(None)



### **Mr. Vanus Taepaisitphongse**

Age 63 years

Director qualified as an Independent Director (From March 24, 2020)

#### **Positions**

- Independent Director
- Chairman of the Remuneration Committee

#### **Date of Appointment as a Director**

March 24, 2020

#### **Education/Training**

- Honorary Doctor of Business Administration, Prince of Songkla University
- Honorary Doctoral Degree in Philosophy (Animal Production Technology), Suranaree University of Technology
- Honorary Doctorate Degree in Business Administration, Chulalongkorn University
- Master of Business Administration, Santa Clara University, USA
- Bachelor of Economics, Chulalongkorn University

#### **Knowledge/Skills/Expertise**

- Core Business of the Company
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Environmental, Social and Governance

#### **Director Training**

- Director Certification Program (DCP) 70/2006, Thai Institute of Directors Association
- Subsidiary Governance Program (SGP) 1/2022, Thai Institute of Directors Association

#### **Board Member/Management of other Listed Company in Thailand (1)**

- Since 1996 Director, Betagro Public Company Limited  
(Listed in the Stock Exchange of Thailand since 2022)

#### **Position in other Company/Organization/Institution (59)**

- Since 2021 Director, Soda Biz Co., Ltd.
- Since 2021 Director, Gawi Co., Ltd.
- Since 2020 Director, Slig Co., Ltd.
- Directors of Companies in Betagro Group (29 Companies)
- Director, Magic Software (Thailand) Corp. Ltd.
- Honorary Institute Councilor of King Mongkut's Institute of Technology Ladkrabang
- Honorary Board of Trustee and Executive Committee Member of CMKL University
- Board Member of King Mongkut's University of Technology Thonburi (KMUTT)'s University Council
- Chairman of the University Promotion, King Mongkut's University of Technology Thonburi
- KX Board of Director member
- Research and Innovation Strategic Committee (RISC), Faculty of Medicine, Siriraj Hospital

- Expert Committee, the National Food Committee
- Member of the Agricultural Technology and Innovation Management Institute Steering Committee
- Advisor of National Commission on Science, Research and Innovation Promotion (CSRP)
- Research and Innovation Promotion Director, National Research Council of Thailand (NRCT)
- Honorary Advisory Committee on National Policy and Strategy Framework for Higher Education and Manpower Development, Office of National Higher Education Science Research and Innovation Policy Council (NXPO)
- Committee Member of High-Skilled Workforce Promotion and Development, Ministry of Higher Education, Science, Research and Innovation
- Committee Member of Innovation Development for Partnership School Management, Office of Basic Education Commission (OBEC)
- Executive Board Member of Thailand International Chamber of Commerce (ICC Thailand)
- Committee Member of Public Engagement Committee of Princess Maha Chakri Award Foundation
- Nomination of Director Member of the Chulalongkorn University Alumni Association Under The Royal Patronage of His Majesty The King
- Member of the Youth Drive for Sustainable Development Committee, Office of the National Economic and Social Development Council
- Member of the Institute Council for the Management of Prince of Chumphon Campus, KMUT Prince of Chumphon Campus
- Member of the Commission on Science Strategy, Research, Innovation and Budgeting
- Advisor of the Innovation Development, Thailand Science Research and Innovation (TSRI)

- Honorary Member for Major Research and Innovation Assessment (Agriculture and Food Sector), Following and Assessing Research Science and Innovation Committee, Office of National Higher Education Science Research and Innovation Policy Council (NXPO)
- Honorary Member in the Operation Assessment of Management Unit and Fund, and Units in Science, Research and Innovation System, Thailand Science Research and Innovation (TSRI)
- Chairman of the Research and Innovation Utilization Committee, Thailand Science Research and Innovation (TSRI)
- Advisor to the Board of Chulalongkorn University Economics Association
- Advisor to National Innovation Board of Thailand
- Director of The Saitarn Foundation

#### **5-year Past Experiences and/or Remarkable Positions**

- 2019 - 2021 Governing Board Member, National Science and Technology Development Board
- 2018 - 2021 Member of University Council, University of the Thai Chamber of Commerce
- 2018 - 2021 Chairman of the Executive Board, Betagro Public Company Limited
- 2018 - 2021 Chairman of Betagro Foundation
- 2015 - 2021 Director of the Board of Trade of Thailand
- 2018 - 2019 Member of the Working Committee on Innovation Development for Partnership School Management, Office of Basic Education Commission (OBEC)
- 2017 - 2019 Working Group Member, Advisor to Deputy Minister of Education (Clinical Professor Emeritus Udom Kachintorn, MD.)
- 2016 - 2019 Honorary Member of the University Council, Khon Kaen University
- 2014 - 2018 Honorary Member of the University Council, Institute of Vocational Education in Agriculture Central Region
- 2013 - 2018 Chief Executive Officer, Betagro Group
- 2013 - 2016 Honorary Member of the University Council, Kasetsart University
- 1987 - 2013 Managing Director, Betagro Group

#### **Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by Spouse or minor children: (None)

#### **Family Relationship among Directors and Executives**

(None)



### **Mr. Vibul Tuangsitthisombat**

**Age 57 years**

Director qualified as an Independent Director (From March 30, 2021)

#### **Positions**

- Independent Director
- Member of the Remuneration Committee

#### **Date of Appointment as a Director**

March 24, 2020

#### **Education/Training**

- Master of Business Administration, Chulalongkorn University
- Bachelor of Science (B.S.) in Management, Indiana State University, USA
- Strategic Leaders Program: Vision, Strategy, and Managing the Organization to Drive Results, Michigan Ross Executive Education, University of Michigan, USA
- Advanced Human Resource Executive Program, Michigan Ross Executive Education, University of Michigan, USA
- Leading in a Disruptive world (LDW), Stanford Center for Professional Development, Stanford University, USA
- Breakthrough Program for Senior Executives, IMD Business School, Switzerland
- Thai National Defence College (Class 57)
- Capital Market Academy (Class 16)

#### **Knowledge/Skills/Expertise**

- Core Business of the Company and Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Consumer Markets, Food Packaging Markets, and Healthcare and Medical Markets
- Investment in Foreign Countries, International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Risk Management and Crisis Management

#### **Director Training**

- Director Certification Program (DCP) 237/2017, Thai Institute of Directors Association

#### **Board Member/Management of other Listed Company in Thailand**

(None)

#### **Position in other Company/Organization/Institution (25)**

- Since 2022 Director, Sukwiwat Co., Ltd.
- Since 2021 Director, G-Able Public Company Limited
- Since 2019 Advisor, The Thai Chamber of Commerce
- Since 2017 Director, Iconic International Co., Ltd.
- Since 2015 Director, Top T 2015 Co., Ltd.
- Since 2013 Director and Chief Executive Officer, Nan Yang Textile Group (18 Companies)
- Since 2001 Director, Paddy Holding Co., Ltd.
- Director, United Housing Co., Ltd.

#### **5-year Past Experiences and/or Remarkable Positions**

- Holding positions in the subsidiaries of Nan Yang Textile Group
- Director, The Association of Thai Textile Bleaching Dyeing Printing and Finishing Industries
- Director, Thai Garment Manufacturers Association

#### **Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by Spouse or minor children: 1,042 shares (0.00002%)

#### **Family Relationship among Directors and Executives**

(None)



### **Mrs. Suphajee Suthumpun**

Age 58 years

Director qualified as an Independent Director (From September 17, 2021)

#### **Positions**

- Independent Director
- Member of the Corporate Governance and Nomination Committee

#### **Date of Appointment as a Director**

- September 17, 2021

#### **Education/Training**

- MBA, International Finance and International Accounting, Northrop University, USA
- Bachelor's Degree, Sociology and Anthropology, Thammasat University
- Capital Market Academy Executive Program (CMA), Class 16/2556, Capital Market Academy
- The Programme for Senior Executives on Justice Administration, Class 19, Judicial Training Institute
- Thammasat Leadership Program (TLP), Class 1, Thammasat University

#### **Knowledge/Skills/Expertise**

- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Environmental, Social and Governance

#### **Director Training**

- Director Certification Program (DCP) 89/2007, Thai Institute of Directors Association
- Advanced Audit Committee Program (AACP) 23/2016, Thai Institute of Directors Association

#### **Board Member/Management of other Listed Company in Thailand (2)**

- Since 2022 Member of the Credit and Investment Screening Committee
- Since 2020 Chairperson of the Human Resources and Remuneration Committee
- Since 2018 Member of the Risk Oversight Committee
- Since 2015 Independent Director and Member of the Audit Committee, KASIKORN BANK Public Company Limited (KBANK)
- Since 2022 Chairperson of the Sustainability Committee
- Since 2019 Investment Committee Member
- Since 2016 Group Chief Executive Officer, Executive Committee Member, and Chairperson of the Risk Management Committee
- Since 2015 Director, Dusit Thani Public Company Limited (DUSIT)

#### **Position in other Company/Organization/Institution (34)**

- Director Positions in the Dusit Group (25 Companies)
- Since 2022 Director, Bonjour Co., Ltd.
- Since 2022 Director, Bonjour Bakery Asia Co., Ltd.
- Since 2022 Director, Port Royal Co., Ltd.
- Since 2022 Director, BAKEIP Limited

- Since 2022 Director, Baujour International Company Limited
- Since 2021 Director, The Cooking Capital Bangkok Co., Ltd.
- Since 2021 Director, The Food Education Bangkok Co., Ltd.
- Since 2019 Director, Dusit Real Foods Co., Ltd.
- Since 2019 Director, Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
- Since 2019 Director, Dusit Thani Properties REIT Co., Ltd.
- Since 2019 Director, Epicure Catering Co., Ltd.
- Since 2018 Director, LVM Holdings Pte. Ltd.
- Since 2018 Director, Dusit Gastro Co., Ltd.
- Since 2018 Director, Dusit Foods Co., Ltd.
- Since 2017 Director, ASA! Holdings Co., Ltd.
- Since 2017 Director, D & J Co., Ltd
- Since 2016 Director, Vimarn Suriya Co., Ltd.
- Since 2016 Director, Dusit Thani Properties Co., Ltd.
- Since 2016 Director, Dusit Management Co., Ltd.
- Since 2016 Director, Dusit China Capital Co., Ltd.
- Since 2016 Director, DMS Property Investment Pvt. Ltd
- Since 2016 Director, Dusit Overseas Co., Ltd.
- Since 2016 Director, Dusit Thani Philippines, Inc.
- Since 2015 Director, Dusit Thai Properties Plc.
- Since 2022 Director, Suanlum Property Co., Ltd.
- Since 2020 Director and Chairperson of the Digital Literacy Subcommittee under the National Reform Committee on Culture, Sports, Labor and Human Resources Development
- Since 2020 Member of the Advisory Board, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Since 2020 Member of the Sub-Committee on Producing and Developing Graduates under the Higher Education Commission
- Since 2020 Qualified Member of the State Enterprise Policy Committee
- Since 2019 Honorary Member of the Council, The International Buddhist Studies College, Mahachulalongkrajarnivadaya University
- Since 2016 Member of the International Advisory Board, Ecole Hôtelière de Lausanne
- Since 2015 Member of the Council Committee, Dusit Thani College
- Since 2015 Member of the Council Committee, Navamindradhiraj University
- Since 2014 Member of the Council Board, Thailand Management Association

#### **5-year Past Experiences and/or Remarkable Positions**

- 2016 - 2022 Director, Le Cordon Bleu Dusit Co., Ltd.
- 2016 - 2022 Director, Dusit Hospitality Education Philippines Inc.
- 2018 - 2020 Director, NR Instant Produce Plc.
- 2016 - 2019 Director, Suanlum Property Co., Ltd.
- 2016 - 2018 Independent Director, Member of the Corporate Governance Committee, and Member of the Audit Committee, Nok Airlines Plc.
- 2011 - 2015 Director, Chairman of the Executive Committee and Chief Executive Officer, Thaimcom Public Company Limited
- 2011 - 2015 Member of the Executive Committee and Chairman of the Management Committee - Media & New Business, Intouch Holdings Public Company Limited
- 2011 - 2015 Director and Chairman of the Executive Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee, CS LoxInfo Public Company Limited
- 2011 - 2015 Chairman of the Board and the Executive Committee, Shenington Investments Pte.
- 2011 - 2015 Member of the Executive Committee, Advanced Info Service Public Company Limited
- 2010 - 2011 General Manager and Vice President, Global Technology Services, IBM ASEAN
- 2009 - 2010 Client Advocacy Executive, Chairman's Office, IBM Headquarter, New York, USA
- 2007 - 2009 General Manager and Vice President, General Business, IBM ASEAN
- 2003 - 2007 Managing Director, IBM Thailand Co., Ltd.

#### **Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by Spouse or minor children: (None)

#### **Family Relationship among Directors and Executives**

(None)



### **Mr. Thiraphong Chansiri**

Age 57 years

#### **Positions**

- Director
- Member of the Corporate Governance and Nomination Committee

#### **Date of Appointment as a Director**

September 16, 2021

#### **Education/Training**

- Master of Business Administration (Management), University of San Francisco, USA
- Bachelor of Business Administration (Marketing), Assumption University
- National Defence Course (NDC), Class 62, National Defence College of Thailand, National Defence Studies Institute

#### **Knowledge/Skills/Expertise**

- Core Business of the Company and Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Environmental, Social and Governance

#### **Director Training**

- Director Certification Program (DCP) 10/2001, Thai Institute of Directors Association

#### **Board Member/Management of other Listed Company in Thailand (4)**

- Since 2022 Vice Chairman of the Board of Directors
- Since 2019 Member of Executive Committee
- Since 2014 Chairman of the Sustainable Development Committee
- Since 2010 Member of the Risk Management Committee
- Since 1995 President and CEO
- Since 1990 Director,  
Thai Union Group Public Company Limited

- Since 2021 Director and Vice Chairman of the Board of Directors, I-Tail Corporation Public Company Limited (Formerly Songkla Canning PCL.)
- Since 2018 Member of the Executive Committee
- Since 2000 Director,  
Thai Union Feedmill Public Company Limited
- Since 2014 Member of the Compensation Committee
- Since 2013 Director,  
Minor International Public Company Limited

#### **Position in other Company/Organization/Institution (38)**

- Since 2021 Director, Beam Data Co., Ltd.
- Since 2021 Director, Interpharma-Zeavita Co., Ltd.
- Since 2021 Director, Thai Union Lifescience Co., Ltd.
- Since 2020 Director, Food and Beverage United Co., Ltd.
- Since 2019 Director, Thai Union Ingredients Co., Ltd.
- Since 2019 Director, Thai Union Eaglewood Development Co., Ltd.
- Since 2017 Director, Thoon Thanasisri Co., Ltd. (including 7 companies)
- Since 2017 Director, Thai Union Property Development Co., Ltd.
- Since 2017 Director, Thai Union Asia Investment Holding Co., Ltd. (Hong Kong)
- Since 2016 President, Thai Union China Co., Ltd. (China)
- Since 2016 Honorary Chairman, Pracharat Raksamakkee Samutsakorn (Social Enterprise) Co., Ltd.
- Since 2016 Director, Thai Union Investments North America LLC (USA)
- Since 2016 Director, Red Lobster Master Holdings LP (USA)
- Since 2014 Director, Thai Union High-Tech Pearl Cultivation Co., Ltd.
- Since 2012 Director, Pakfood PCL. (including 3 companies)
- Since 2010 President, Thai Union Europe (France)
- Since 2010 Director, Tri-Union Frozen Products, Inc. (USA)
- Since 2009 Director, TN Fine Chemicals Co., Ltd.
- Since 2000 Director, Biz Dimension Co., Ltd.
- Since 1997 Director, Tri-Union Seafoods, LLC. (USA)
- Since 1996 Director, Thai Union Seafood Co., Ltd.
- Since 1996 Director, Thai Union North America (USA)
- Since 1995 President, Thai Union Graphic Co., Ltd.
- Since 1993 Director, Asian-Pacific Can Co., Ltd.
- Since 1993 Director, Lucky Union Foods Co., Ltd.
- Since 1993 Director, Waithai Co., Ltd.
- Since 1989 Director, Thai Union Manufacturing Co., Ltd.
- Since 1988 Director, Chansiri Real Estate Co., Ltd
- Since 1988 Director, Thai Union Properties Co., Ltd.
- Since 1984 Director, Penven (Thailand) Co., Ltd.

#### **5-year Past Experiences and/or Remarkable Positions**

- 2010 - 2022 Director, U.S. Pet Nutrition LLC. (USA)
- 2016 - 2021 Executive Director, Thai Union Online Shop Co., Ltd.
- 1999 - 2021 Director, Songkla Canning Public Company Limited
- Member of the Council Board, Thailand Management Association
- Member of the Council Board, Siam Technology College
- Director, Bio-Circular-Green Economy: BCG Model
- Advisor to the Board of Directors of Thai Chamber of Commerce

#### **Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by Spouse or minor children: (None)

#### **Family Relationship among Directors and Executives**

(None)

**Mr. Wichan Jitpukdee**

Age 56 years

**Positions**

- Director
- Chief Executive Officer

**Date of Appointment as a Director**

- June 1, 2019

**Education/Training**

- Bachelor of Engineering (Industrial Engineering), Chiang Mai University
- Diploma in Pulp & Paper Technology, The University of Auckland, New Zealand
- Advanced Management Program (AMP), Harvard Business School, Harvard University, USA
- Executive Education Program, Columbia Business School, Columbia University, USA
- Management Development Program XIX, The Wharton School, University of Pennsylvania, USA
- Building Competitive Advantage Through Operations Program, Harvard Business School, Harvard University, USA
- Top Executive Program in Commerce and Trade (TEPCoT#10), The University of the Thai Chamber of Commerce
- Top Executives Program, Class 29, Capital Market Academy
- National Defence Course, Class 63, Thailand National Defence College

**Knowledge/Skills/Expertise**

- Core Business of the Company and Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations

- Consumer Markets, Food Packaging Markets, and Healthcare and Medical Markets
- Investment in Foreign Countries, International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Business and Investment Laws, as well as Merger and Acquisition
- Environmental, Social and Governance

**Director Training**

- Director Accreditation Program (DAP) 163/2019, Thai Institute of Directors Association

**Board Member/Management of other Listed Company in Thailand**

(None)

**Position in other Company/Organization/Institution (2)**

- Since 2019 Director of Executive Board, Thai Chamber of Commerce
- Since 2019 President Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia\*

**Other Positions in SCGP (10)**

- Chairman and director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

**5-year Past Experiences and/or Remarkable Positions**

- 2019 President, Packaging Business, The Siam Cement Public Company Limited
- 2018 - 2019 Managing Director, Thai Containers Group Company Limited
- 2014 - 2019 Managing Director, Siam Kraft Industry Company Limited
- 2017 - 2018 President, The Thai Pulp and Paper Industries Association
- 2011 - 2014 President & CEO, United Pulp and Paper Co., Inc., Philippines
- 2011 Director, Procurement Office, Siam Kraft Industry Company Limited
- 2010 - 2011 Director, Corporate Sustainable Development, SCG Paper Public Company Limited
- 2007 - 2010 Vice President - Manufacturing, United Pulp and Paper Co., Inc., Philippines

**Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: None
- Held by spouse or minor children: (None)

**Family Relationship among Directors and Executives**

(None)

## Report of Changes in Securities Holdings of Directors

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SCG Packaging Public Company Limited

Directors	SCG Packaging PLC				Affiliated Companies			
	Ordinary Shares (Shares)	Debentures (Units)	Ordinary Shares* (Shares)	Debentures (Units)	As of January 1, 2022	As of December 31, 2022	As of January 1, 2022	As of December 31, 2022
	As of January 1, 2022	Increase / (decrease) during the fiscal year	As of January 1, 2022	Increase / (decrease) during the fiscal year	As of December 31, 2022	Increase / (decrease) during the fiscal year	As of January 1, 2022	Increase / (decrease) during the fiscal year
1. Mr. Prasarn Trairatvorakul	-	-	5,000	5,000	-	-	35,000**	45,000**
Indirect shareholding	-	-	-	-	-	-	-	10,000***
2. Mr. Thammarak Sethaudom	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-
3. Police Colonel Thummithi Wanichthanom	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-
4. Mrs. Kaisri Nuengsingkapian	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-
5. Mr. Chalee Chantanayyingyong	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-
6. Mrs. Pongpen Ruengvirayudh	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-
7. Professor Kitipong Urapapepatanapong	-	-	-	-	-	-	1,000**	(1,000)**
Indirect shareholding	-	-	-	-	-	-	-	1,000***
8. Mr. Vanus Taepaisitphonse	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-
9. Mr. Vibul Tuangsittisombat	-	-	-	-	-	-	-	-
Indirect shareholding	1,042	1,042	-	-	-	-	-	-
10. Mrs. Suphajeet Suthumpun	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-
11. Mr. Thiaphong Chansiri	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-
12. Mr. Wichan Jitpukdee	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-

Remarks: 1. SCG Packaging Public Company Limited has a registered capital of Baht 4,500,000,000 and paid-up capital of Baht 4,292,920,200 (4,292,920,200 shares).

2. According to the Public Limited Companies Act, an "affiliated company" means a public limited company which is related to one or more private companies or public limited companies in any of the following manners:

One company has control over the appointment and withdrawal of directors who have full or substantial authority over another company; or

One company holds in another company more than 50 percent of shares sold.

\*The ordinary shares of The Siam Cement Public Company Limited, which are worth Baht 1,000 per share.

\*\*The debentures of The Siam Cement Public Company Limited, which are worth Baht 1,000 per unit.

\*\*\*The debentures of SCG Chemicals Public Company Limited, which are worth Baht 1,000 per unit.

3. According to SEC regulations, ordinary shares of a company held by directors include those held by a spouse, partners in a de facto relationship and minor children.

4. The Public Limited Companies Act requires divulging the ordinary shares and debentures in the company and in affiliated companies held solely by a Board member as an individual.

# Management Committee's Profile



## Mr. Wichan Jitpukdee

Age 56 years

### Positions

- Director
- Chief Executive Officer

### Date of Appointment as a Director

June 1, 2019

### Education/Training

- Bachelor of Engineering (Industrial Engineering), Chiang Mai University
- Diploma in Pulp & Paper Technology, The University of Auckland, New Zealand
- Advanced Management Program (AMP), Harvard Business School, Harvard University, USA
- Executive Education Program, Columbia Business School, Columbia University, USA
- Management Development Program XIX, The Wharton School, University of Pennsylvania, USA
- Building Competitive Advantage Through Operations Program, Harvard Business School, Harvard University, USA
- Top Executive Program in Commerce and Trade (TEPCoT#10), The University of the Thai Chamber of Commerce
- Top Executives Program, Class 29, Capital Market Academy
- National Defence Course, Class 63, Thailand National Defence College

### Knowledge/Skills/Expertise

- Core Business of the Company and Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations

- Consumer Markets, Food Packaging Markets, and Healthcare and Medical Markets
- Investment in Foreign Countries, International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Business and Investment Laws, as well as Merger and Acquisition
- Environmental, Social and Governance

### Director Training

- Director Accreditation Program (DAP) 163/2019, Thai Institute of Directors Association

### Board Member/Management of other Listed Company in Thailand

(None)

### Position in other Company/Organization/Institution (2)

- Since 2019 Director of Executive Board, Thai Chamber of Commerce
- Since 2019 President Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia\*

### Other Positions in SCGP (10)

- Chairman and director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

### 5-year Past Experiences and/or Remarkable Positions

- 2019 President, Packaging Business, The Siam Cement Public Company Limited
- 2018 - 2019 Managing Director, Thai Containers Group Company Limited
- 2014 - 2019 Managing Director, Siam Kraft Industry Company Limited
- 2017 - 2018 President, The Thai Pulp and Paper Industries Association
- 2011 - 2014 President & CEO, United Pulp and Paper Co., Inc., Philippines
- 2011 Director, Procurement Office, Siam Kraft Industry Company Limited
- 2010 - 2011 Director, Corporate Sustainable Development, SCG Paper Public Company Limited
- 2007 - 2010 Vice President - Manufacturing, United Pulp and Paper Co., Inc., Philippines

### Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: (None)
- Held by spouse or minor children: (None)

### Family Relationship among Directors and Executives

(None)

**Mr. Jak jit Klomsing**

Age 55 years

**Positions**

- Chief Operating Officer - Fiber Packaging Business

**Education/Training**

- Master of Engineering (Mechanical Engineering), Kasetsart University
- Bachelor of Engineering (Mechanical Engineering), King Mongkut's University of Technology North Bangkok

**Knowledge/Skills/Expertise**

- Core Business of the Company
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations

- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Risk Management and Crisis Management
- Environmental, Social and Governance

**Director Training**

(None)

**Board Member/Management of other Listed Company in Thailand**

(None)

**Position in other Company/Organization/Institution (1)**

- Since 2022 Chairman, Bien Hoa Packaging Joint Stock Company, Vietnam\*

**Other Position in SCGP (19)**

- Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

**5-year Past Experiences and/or Remarkable Positions**

- 2019 - 2022 Manufacturing Director, Thai Containers Group Co., Ltd.
- 2016 - 2019 Director and General Manager, Thai Containers Group Co., Ltd. (Samutprakarn Plant)
- 2016 - 2019 Managing Director, Tawana Container Co., Ltd.

**Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by spouse or minor children: (None)

**Family Relationship among Directors and Executives**

(None)

**Mr. Suchai Korprasertsri**

Age 55 years

**Positions**

- Chief Operating Officer - Fibrous Business

**Education/Training**

- Master of Business Administration, Thammasat University
- Bachelor of Engineering (Industrial Engineering), Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business School, USA

**Knowledge/Skills/Expertise**

- Business or Pulp, Paper and Packaging Industries
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Consumer Market, Accounting and Finance

**Director Training**

- Director Accreditation Program (DAP) 86/2010, Thai Institute of Directors Association
- Director Certification Program (DCP) 141/2011, Thai Institute of Directors Association

**Board Member/Management of other Listed Company in Thailand**

(None)

**Position in other Company/Organization/Institution (3)**

- Since 2022 Director as the Representative of Phoenix Pulp & Paper Public Company Limited (PPPC), The Thai Pulp and Paper Industries Association (TPPIA)
- Since 2022 Vice Chairman as the Representative of Phoenix Pulp & Paper Public Company Limited (PPPC), Pulp and Paper Industry Club, The Federation of Thai Industries (FTI)
- Since 2021 1<sup>st</sup> Vice President, Representative of TCG, Asian Corrugated Case Association (ACCA) Committee

**Other Position in SCGP (19)**

- Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

**5-year Past Experiences and/or Remarkable Positions**

- 2019 - 2022 Chief Operating Officer - Consumer and Industrial Packaging Business, SCG Packaging Public Company Limited
- 2017 Corporate Marketing Director, SCG Packaging Public Company Limited
- 2016 General Manager Cluster 4 (TCCB / TCRY / TCPB / Indo-PMC & IRP), Thai Containers Group Company Limited
- 2015 Regional Operations Director, Thai Containers Group Company Limited
- 2010 Managing Director, Thai British Security Printing Public Company Limited

**Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by spouse or minor children: 43,500 shares (0.001%)

**Family Relationship among Directors and Executives**

(None)

**Mr. Karan Tejasen**

Age 54 years

**Positions**

- Chief Operating Officer - Consumer and Performance Packaging Business

**Education/Training**

- Master of Business Administration (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University
- CBI (Confederation of British Industry) Scholarship, UK
- Advanced Management Program (AMP), Harvard Business School, USA

**Knowledge/Skills/Expertise**

- Policy and Strategic Management for Organizations
- Organization Management and Human Resource Management
- Management of Merger and Partnership Deals

- Risk Management and Crisis Management
- Economics and Investment
- Consumer Market, Accounting and Finance

**Director Training**

- Director Accreditation Program (DAP) 167/2019, Thai Institute of Directors Association

**Board Member/Management of other Listed Company in Thailand**

(None)

**Position in other Company/Organization/Institution (2)**

- Since 2020 Vice Chairman, Plastic Industry Club, The Federation of Thai Industries
- Since 2018 Director, Thailand Institution of Packaging and Recycling Management for Sustainable Environment, The Federation of Thai Industries

**Other Position in SCGP (17)**

- Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

**5-year Past Experiences and/or Remarkable Positions**

- |        |   |
|--------|---|
| • 2013 | Business Integration Director,<br>Thai Containers Group Company Limited |
| • 2012 | Director-Regional Operations,<br>Thai Containers Group Company Limited  |
| • 2010 | Director and General Manager,<br>Thai Containers Group Company Limited  |
| • 2009 | Market and Sales Director,<br>Siam Kraft Industry Company Limited       |

**Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by spouse or minor children: (None)

**Family Relationship among Directors and Executive**

(None)

**Mr. Wichan Charoenkitsupat**

Age 58 years

**Positions**

- Chief Operating Officer - Packaging Paper Business

**Education / Training**

- MSC., Paper Science and Engineering, Western Michigan University, USA
- Bachelor of Science (Chemical Engineering), Chulalongkorn University
- Bachelor of Economics (Human Resource Economics), Ramkhamhaeng University
- Advanced Management Program (AMP), IMD business school (IMD), Switzerland

**Knowledge / Skills / Expertise**

- Other Large Businesses or Industries
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management

- Economics and Investment
- Consumer Market, Accounting and Finance
- Production, Research and Development

**Director Training**

- Director Accreditation Program (DAP) 168/2020, Thai Institute of Directors Association
- Financial Statements for Directors (FSD) 41/2020, Thai Institute of Directors Association

**Board Member/Management of other Listed Company in Thailand**

(None)

**Position in other Company / Organization / Institution (3)**

- Since 2022 Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia\*
- Since 2020 Vice Chairman, Pulp and Paper Industry Club, The Federation of Thai Industries
- Since 2020 Executive Director, The Thai Pulp and Paper Industries Association (TPPIA)

**Other Position in SCGP (23)**

- Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

**5-year Past Experiences and/or Remarkable Positions**

- 2018 - 2022 Chief Operating Officer - Fibrous Business, SCG Packaging Public Company Limited
- 2014 President & CEO, United Pulp and Paper (Philippines)
- 2013 Director, Wang Sala Plant, Siam Kraft Industry Company Limited
- 2010 Managing Director, Thai Union Paper Industry Company Limited
- 2006 Director, Product & Technology Development Center, SCG Packaging Public Company Limited

**Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by spouse or minor children: (None)

**Family Relationship among Directors and Executives**

(None)

**Mr. Sompob Witworrarakul**

Age 52 years

**Position**

- Chief Regional Officer

**Education/Training**

- Master of Science, Paper Sciences and Engineering, University of Washington, USA
- Bachelor of Engineering, Mechanical Engineering, King Mongkut's Institute of Technology Thonburi
- Stanford Executive Program 2022, Stanford Business School, USA

**Knowledge/Skills/Expertise**

- Core Business of the Company and Businesses in the Company's Supply Chains
- International or Regional Business Administration and Cultural Difference Management

- Innovation and Sustainable Organization Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Application of Technology in Industries and Business Sectors

**Director Training**

- Director Accreditation Program (DAP) 190/2022, Thai Institute of Directors Association

**Board Member/Management of other Listed Company in Thailand**

(None)

**Position in other Company/Organization/Institution (1)**

- Since 2021 Vice Chairman, Bien Hoa Packaging Joint Stock Company, Vietnam\*

**Other Position in SCGP (15)**

- Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

**5-year Past Experiences and / or Remarkable Positions**

- 2015 - 2018 Engineering Director, SCG Packaging Public Company Limited
- 2012 - 2015 Plant and Construction Manager, SCG Paper Company Limited
- 2008 - 2012 Engineering Department Manager, Thai Kraft Paper Industry Company Limited

**Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by spouse or minor children: (None)

**Family Relationship among Directors and Executives**

(None)

**Mr. Danaidej Ketsuwan**

Age 50 years

**Positions**

- Chief Financial Officer and in Charge of Packaging Materials Recycling Business

**Education/Training**

- Master of Business Administration, Sloan School of Management, Massachusetts Institute of Technology, USA
- Bachelor of Science, Mechanical Engineering, University of California at Berkeley, USA

**Knowledge/Skills/Expertise**

- Other Large Businesses and Industries
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations

- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Economics and Investment

**Director Training**

- Director Accreditation Program (DAP) 168/2020, Thai Institute of Directors Association
- Corporate Governance for Executives (CGE) 17/2021, Thai Institute of Directors Association
- Risk Management for Corporate Leaders (RCL) 25/2021, Thai Institute of Directors Association

**Board Member/Management of other Listed Company in Thailand**

(None)

**Position in other Company/Organization/Institution (1)**

- Since 2022 Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia\*

**Other Position in SCGP (34)**

- Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

**5-year Past Experiences and/or Remarkable Positions**

- |               |   |
|---------------|---|
| • 2019 - 2021 | Chief Regional Officer,<br>SCG Packaging Public Company Limited             |
| • 2018 - 2021 | President & CEO,<br>United Pulp and Paper Co., Inc., Philippines            |
| • 2013 - 2018 | Director, Business Planning Office,<br>SCG Packaging Public Company Limited |

**Shareholdings (Ordinary Shares) (as at December 31, 2022)**

- Held personally: (None)
- Held by spouse or minor children: (None)

**Family Relationship among Directors and Executives**

(None)

## Report of Changes in Securities Holdings of Executives

No.	Executives	Ordinary Shares of SCG Packaging Public Company Limited (Shares)		
		As of January 1, 2022	As of December 31, 2022	Increase/(decrease) during fiscal year
1.	Mr. Wichan Charoenkitsupat	-	-	-
	Indirect shareholding	-	-	-
2.	Mr. Jak jit Klomsing	-	-	-
	Indirect shareholding	-	-	-
3.	Mr. Karan Tejasen	-	-	-
	Indirect shareholding	-	-	-
4.	Mr. Suchai Korprasertsri	-	-	-
	Indirect shareholding	40,000	43,500	3,500
5.	Mr. Danaidej Ketsuwan	-	-	-
	Indirect shareholding	-	-	-
6.	Mr. Sompob Witworrassakul	-	-	-
	Indirect shareholding	-	-	-
7.	Mrs. Nadarat Pomtri	-	-	-
	Indirect shareholding	-	-	-

Remarks: 1. SCG Packaging Public Company Limited has a registered capital of Baht 4,500,000,000 and paid-up capital of Baht 4,292,920,200 (4,292,920,200 shares).

2. In reference to the Notification of Capital Market Supervisory Board No. Sor Jor. 38/2561, "Executives" mean the managing director, the next four executives succeeding the managing director, every person holding an equivalent position to the fourth executive, and shall include the persons holding an executive position in accounting or finance at a managerial or equivalent, or higher level.
3. According to SEC regulations, ordinary shares of a company held by the directors include those held by a spouse, partners in a de facto relationship and minor children.
4. Considering SCGP's structure, the executives pursuant to the Notification of Capital Market Supervisory Board comprise the above-mentioned 7 members.
5. Executive no. 7 holds an executive position in accounting.

## Executive Remuneration Policy

The Remuneration Committee proposes the executive remuneration structure, compensation, and performance appraisals of the Chief Executive Officer (CEO) and other executives to the Board of Directors for consideration and approval. To build both short-term and long-term motivation, the executives' remuneration is determined based on their responsibilities and performance, taking into account business operating results, the success of policy implementation as assigned by the Board, and their ability to develop the business and improve operational efficiency. Economic and social conditions are also considered when comparing SCGP's compensation structure with that of the other organizations in the same industry, both locally and internationally.

### Performance Assessment and Remuneration of the Chief Executive Officer

The Board of Directors tracks and assesses the performance of the Chief Executive Officer (CEO) annually on a prudent and fair basis, which in turn determines the remuneration. Assessment processes and remuneration must be considered and approved

by the Remuneration Committee, and then proposed to the Board of Directors for further consideration and final approval. The assessment consists of three factors as follows:

#### 1. Performance:

Consider the Company's growth in terms of absolute and relative performance, compare the latest year's performance with the goal, and compare the Company's performance with leading companies' in the same industry.

#### 2. Key Performance Index (KPI):

Consider four main criteria as per the Balanced Scorecard principle. This covers internal and external factors, which consist of Financial & Growth, Customers & Stakeholders, Internal Business Processes, and ESG & People.

#### 3. CEO Survey:

Consider three main criteria in line with the leadership profile, which comprises Engagement, Innovation & Strategy, and Excellence. In 2022, another criterion was added, namely Establishing and Sharing a vision for the SCG ESG pathway through ESG 4 Plus both within SCG and External.

For the assessment result in 2022, based upon the three factors above, the performance of the Chief Executive Officer was “Above Expectations”. In addition, the Board of Directors also commented in a positive manner on the performance, attitude, constant improvement and development, business opportunity seeking, social contributions, teamwork, and collaboration of the Chief Executive Officer.

SCGP budgets its remuneration in accordance with its short-term and long-term operating results. In the short term, SCGP considers annual operating results, such as revenues from sales, net profit, and EBITDA. In the medium-long term, SCGP takes into account the performance of its five-year plans, such as business expansion, profit growth, market shares, overall sustainable development performance, and ongoing operational enhancement.

## Remuneration of the Executive Directors and Executives

### (1) Executive Directors' Remuneration

SCGP does not appoint any executive director.

### (2) Executives' Remuneration

#### (1) Monetary Remuneration

For the fiscal year ended December 31, 2022, SCGP paid monetary remuneration of Baht 90,975,166.66 to nine executives<sup>(1)</sup>, consisting of salary and bonus (but excluding the remuneration as a director), equal to 0.81 percent of total employee remuneration.

**Remark :** <sup>(1)</sup>Include the monetary remuneration paid to Mr. Sangchai Wiriyapaiwong, an executive who resigned from the position of the Chief Operating Officer, Packaging Paper Business, effective from September 1, 2022.

#### (2) Other Remuneration

For the fiscal year ended December 31, 2022, SCGP paid other remuneration amounting to Baht 7,592,082.00 to nine executives<sup>(1)</sup>, in the form of provident fund contributions.

**Remark:** <sup>(1)</sup>Include other remuneration paid to Mr. Sangchai Wiriyapaiwong, an executive who resigned from the position of the Chief Operating Officer, Packaging Paper Business, effective from September 1, 2022.

## Subsidiaries which are the Centers of SCGP's Core Businesses

No.	Company	Registered Country	Business Type
1	Siam Kraft Industry Co., Ltd. (SKIC)	Thailand	Packaging Paper
2	PT Fajar Surya Wisesa Tbk. (Fajar)	Indonesia	Packaging Paper
3	Thai Containers Group Co., Ltd. (TCG)	Thailand	Fiber Packaging
4	Phoenix Pulp & Paper Public Co., Ltd. (PPPC)	Thailand	Foodservice Products, Pulp and Paper Products
5	TC Flexible Packaging Co., Ltd. (TCFP)	Thailand	Investment in Polymer Packaging

The five subsidiaries which are the centers of SCGP's Core Business are SKIC, Fajar, TCG, PPPC and TCFP. Details of each subsidiary's management structure, Board of Directors, executives and their remuneration are given in the next page.

**(1) SKIC****(A) Management Structure<sup>(1)</sup>**

Remark : <sup>(1)</sup> SKIC restructured its management by adding a position of Packaging and Specialty Materials Sales Director, effective from September 1, 2022.

**(B) Board of Directors**

As of December 31, 2022, the Board of Directors of SKIC comprises the following five members:

<b>Director</b>	<b>Position</b>
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Karan Tejasen*	Director
3. Mr. Danaidej Ketsuwan*	Director
4. Mr. Sompob Witworrasakul*	Director
5. Mr. WICHAN CHAROENKITSUPAT*	Director

Remarks : \*Directors appointed by SCGP

(1) Mr. Karan Tejasen was appointed as a director replacing Mr. Sangchai Wiriyumpaiwong, effective from September 1, 2022.

(2) Mr. Sompob Witworrasakul was appointed as a director replacing Mr. Ekaraj Niroj, effective from September 1, 2022.

**Directors authorized to sign for and with binding effect on the company**

Any two directors must sign jointly, together with the company's seal.

**(C) Executives**

As of December 31, 2022, the executives of SKIC are as follows:

<b>Executive</b>	<b>Position</b>
1. Mr. WICHAN CHAROENKITSUPAT	Managing Director
2. Ms. TANATCHA VONGAMORNNTI	Packaging and Specialty Materials Sales Director
3. Mr. WIWAT WALAIPHACHARA	Director – Asset Reliability and Maintenance
4. Mr. KITTI VIWATBORVORNWONG	Director – Energy Division
5. Mr. SUTTIPONG POOMSRISA-ARD	Director of Banpong Plant
6. Mr. SAHARATH PATTANAVIBOOL	Director of Wangsala Plant

Remarks : (1) Mr. WICHAN CHAROENKITSUPAT was appointed as the Managing Director, replacing Mr. Sangchai Wiriyumpaiwong, effective from September 1, 2022.

(2) Ms. TANATCHA VONGAMORNNTI was appointed as the Packaging and Specialty Materials Sales Director, effective from September 1, 2022.

(3) Mr. SUTTIPONG POOMSRISA-ARD was appointed as the Director of Banpong Plant, replacing Mr. Krittasak Vecharoenying, effective from October 1, 2022.

## (D) Executive Remuneration

### (1) Monetary Remuneration

For the fiscal year ended December 31, 2022, SKIC paid monetary remuneration of Baht 45,998,766.65 to eight executives<sup>(1)</sup>, consisting of salary and bonus.

**Remark :** <sup>(1)</sup> Include the monetary remuneration paid to two executives who have resigned from their positions, namely Mr. Sangchai Wiryaumpaiwong from the Managing Director, effective from September 1, 2022, and Mr. Krittasak Vecharoencying from the Director of Banpong Plant effective from October 1, 2022.

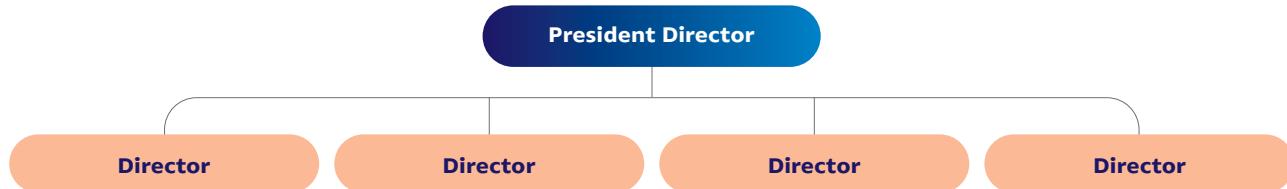
### (2) Other Remuneration

For the fiscal year ended December 31, 2022, SKIC paid other remuneration amounting to Baht 4,236,297.00 to eight executives<sup>(1)</sup>, in the form of provident fund contributions.

**Remark :** <sup>(1)</sup> Include other remuneration paid to two executives who has resigned from their positions namely Mr. Sangchai Wiryaumpaiwong from the Managing Director, effective from September 1, 2022, and Mr. Krittasak Vecharoencying from the Director of Banpong Plant, effective from October 1, 2022.

## (2) Fajar

### (A) Management Structure



### (B) Board of Commissioners

As of December 31, 2022, the Board of Commissioners of Fajar comprises the following eight members:

Commissioner	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Wichan Charoenkitsupat*	Commissioner
3. Mr. Danaidej Ketsuwan*	Commissioner
4. Mr. Kitti Tangchitmaneesakda*	Commissioner
5. Ms. Vilia Sulistyo	Commissioner
6. Mr. Tony Tjandra	Independent Commissioner
7. Mr. Lim Chong Thian	Independent Commissioner
8. Mr. Sudarmanto Wiryodiatmo	Independent Commissioner

**Remarks :** \*Directors appointed by SCGP

(1) Mr. Danaidej Ketsuwan was appointed as a commissioner, replacing Mr. Kulachet Dharachandra, effective from March 23, 2022.

(2) Mr. Wichan Charoenkitsupat was appointed as a commissioner, replacing Mr. Sangchai Wiryaumpaiwong, effective from December 1, 2022.

### (C) Audit Committee

As of December 31, 2022, the Audit Committee of Fajar consists of three members as follows:

Member	Position
1. Mr. Lim Chong Thian	Chairman of the Audit Committee
2. Ms. Elizabeth Linandi	Member of the Audit Committee
3. Ms. Shiery	Member of the Audit Committee

**(D) Nomination and Remuneration Committee**

As of December 31, 2022, the Nomination and Remuneration Committee of Fajar consists of three members as follows:

<b>Member</b>	<b>Position</b>
1. Mr. Tony Tjandra	Chairman of the Nomination and Remuneration Committee
2. Ms. Vilia Sulistyo	Member of the Nomination and Remuneration Committee
3. Mr. Kurniawan	Member of the Nomination and Remuneration Committee

**(E) Executives**

As of December 31, 2022, the executives of Fajar are as follows:

<b>Executive</b>	<b>Position</b>
1. Mr. Thalengsak Ratchburi	President Director
2. Mr. Ekachai Anujorn	Director
3. Mr. Ponthep Tuntavadcharom	Director
4. Mr. Yustinus Yusuf Kusumah*	Director
5. Mr. Arif Razif*	Director

Remarks : \*Non-employee executive of SCGP

(1) Mr. Thalengsak Ratchburi was appointed as the President Director, replacing Mr. Peerapol Mongkolsilp, effective from December 1, 2022.

(2) Mr. Ekachai Anujorn was appointed as a director, replacing Mr. Peerapol Mongkolsilp, effective from December 1, 2022.

**Person authorized to sign for and with binding effect on the company**

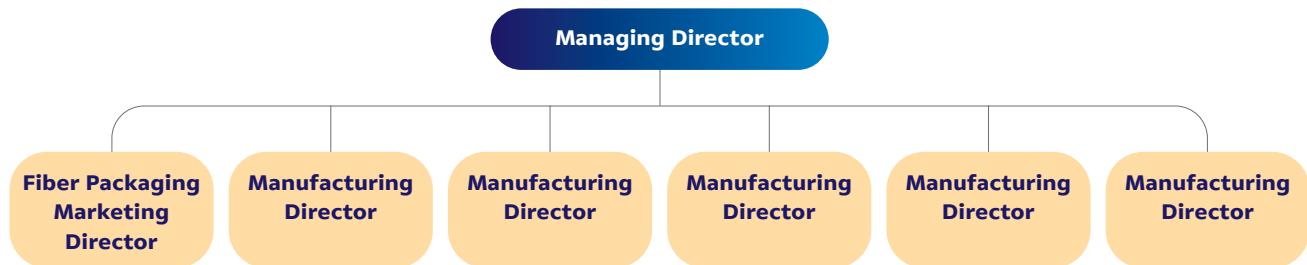
One executive director must sign.

**(F) Executive Remuneration****(1) Monetary Remuneration**

For the fiscal year ended December 31, 2022, Fajar paid monetary remuneration, consisting of salary and bonus, of Rupiah 5,492,988,000.00 (Baht 15,777,402.00) to two executives who are not SCGP's employees.

**(2) Other Remuneration**

- None -

**(3) TCG****(A) Management Structure**

## (B) Board of Directors

As of December 31, 2022, the Board of Directors of TCG comprises the following eight members:

Director	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Hirofumi Hori	Director
3. Mr. Danaidej Ketsuwan*	Director
4. Mr. Tomohisa Ishimi	Director
5. Mr. Sompob Witworrasakul*	Director
6. Mr. Jak jit Klomsing*	Director
7. Mr. Karan Tejasen*	Director
8. Mr. Toshinobu Sada	Director

Remarks : \*Directors appointed by SCGP

(1) Mr. Tomohisa Ishimi was appointed as a director, replacing Mr. Tamotsu Shiiya, effective from April 7, 2022.

(2) Mr. Jak jit Klomsing was appointed as a director, replacing Mr. Suchai Korprasertsri, effective from September 1, 2022.

## Directors authorized to sign for and with binding effect on the company

Any two directors must sign jointly, together with the company's seal.

## (C) Executives

As of December 31, 2022, the executives of TCG are as follows:

Executive	Position
1. Mr. Jak jit Klomsing	Managing Director
2. Mrs. Kanchana Arakwatana	Fiber Packaging Marketing Director
3. Mr. Niwat Phusrisalap	Manufacturing Director
4. Mr. Panu Ratanasingha	Manufacturing Director
5. Mr. Chotichai Junwattarungul	Manufacturing Director
6. Mr. Soungdat Doungkate	Manufacturing Director
7. Mr. Ekasit Kitisakchaikul	Manufacturing Director

Remarks : (1) Mr. Jak jit Klomsing was appointed as the Managing Director, replacing Mr. Suchai Korprasertsri, effective from September 1, 2022.

(2) Mr. Chotichai Junwattarungul was appointed as the Manufacturing Director, replacing Mr. Jak jit Klomsing, effective from September 1, 2022.

(3) Mr. Panu Ratanasingha was appointed as the Manufacturing Director, replacing Mr. Tawatchai Jungsomsri, effective from September 1, 2022.

(4) Mr. Soungdat Doungkate was appointed as the Managing Director, replacing Mr. Panu Ratanasingha, effective from September 1, 2022.

(5) Mrs. Kanchana Arakwatana was appointed as the Fiber Packaging Marketing Director, replacing Mr. Leaudej Vimonpackt, effective from September 1, 2022.

## (D) Executive Remuneration

### (1) Monetary Remuneration

For the fiscal year ended December 31, 2022, TCG paid monetary remuneration, consisting of salary and bonus, of Baht 49,379,180 to ten executives<sup>(1)</sup>.

Remark : <sup>(1)</sup> Include the monetary remuneration to three executives who have resigned from their positions on September 1, 2022, namely Mr. Suchai Korprasertsri from the Managing Director, Mr. Leaudej Vimonpack from the Fiber Packaging Marketing Director, and Mr. Tawatchai Jungsomsri from the Manufacturing Director.

**(2) Other Remuneration**

For the fiscal year ended December 31, 2022, TCG paid other remuneration amounting to Baht 4,597,892 to ten executives<sup>(1)</sup>, in the form of provident fund contributions.

Remark : <sup>(1)</sup> Include other remuneration to three executives who have resigned their positions on September 1, 2022, namely Mr. Suchai Korprasertsri from the Managing Director, Mr. Leadeej Vimontpack from the Fiber Packaging Marketing Director, and Mr. Tawatchai Jungsomsri from the Manufacturing Director.

**(4) PPPC****(A) Management Structure****(B) Board of Directors**

As of December 31, 2022, the Board of Directors of PPPC comprises the following seven members:

<b>Director</b>	<b>Position</b>
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Suchai Korprasertsri*	Director
3. Mr. Wichan Charoenkitsupat*	Director
4. Mr. Masaya Masukawa	Director
5. Mr. Danaidej Ketsuwan*	Director
6. Mr. Som Narongrerknavin*	Director
7. Mr. Norio Ozawa	Director

Remarks : \*Directors appointed by SCGP

(1) Mr. Suchai Korprasertsri was appointed as a director, replacing Mr. Sangchai Wiriyapaiwong, effective from September 22, 2022.

(2) Mr. Masaya Masukawa was appointed as a director, replacing Mr. Yusuke Mano, effective from February 1, 2022.

**Directors authorized to sign for and with binding effect on the company**

Two directors must sign jointly.

### (C) Executives

As of December 31, 2022, the executives of PPPC are as follows:

Executive	Position
1. Mr. Suchai Korprasertsri	Managing Director
2. Mr. Som Narongrerknavin	Director – PPPC Mill
3. Mr. Anucha Pooboothong	Pulp Production Department Manager
4. Mr. Watcharachai Chaicharoen	Maintenance Department Manager
5. Mr. Pajonsuk Pabudla	Paper Production Department Manager

Remarks : (1) Mr. Suchai Korprasertsri was appointed as the Managing Director, replacing Mr. Wichan Charoenkitsupat, effective from September 1, 2022.  
(2) Mr. Pajonsuk Pabudla was appointed as the Paper Production Department Manager, replacing Mr. Surat Khoonrugs, effective from October 1, 2022.

### (D) Executive Remuneration

#### (1) Monetary Remuneration

For the fiscal year ended December 31, 2022, PPPC paid monetary remuneration, consisting of salary and bonus, of Baht 27,229,800.01 to seven executives<sup>(1)</sup>

Remark : <sup>(1)</sup> Include the monetary remuneration for two executives who have resigned from their positions, namely Mr. Wichan Charoenkitsupat from the position of Managing Director effective from September 1, 2022, and Mr. Surat Khoonrugs from the position of Paper Production Department Manager effective from October 1, 2022.

#### (2) Other Remuneration

For the fiscal year ended December 31, 2022, PPPC paid other remuneration amounting to Baht 2,420,464.00 to seven executives<sup>(1)</sup>, in the form of provident fund contributions.

Remark : <sup>(1)</sup> Include other remuneration for two executives who have resigned from their positions, namely Mr. Wichan Charoenkitsupat from the position of Managing Director effective from September 1, 2022, and Mr. Surat Khoonrugs from the position of Paper Production Department Manager effective from October 1, 2022.

## (5) TCFP

### (A) Management Structure

TCFP has no management structure because it is a holding company that operates a polymer packaging business.

### (B) Board of Directors

As of December 31, 2022, the Board of Directors of TCFP comprises the following eight members:

Director	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Karan Tejasen*	Director
3. Mr. Hirofumi Hori	Director
4. Mr. Kenzo Sano	Director
5. Mr. Jak jit Klomsing*	Director
6. Mr. Sompob Witworrasakul*	Director
7. Mr. Danaidej Ketsuwan*	Director
8. Mr. Toshinobu Sada	Director

Remarks : \*Directors appointed by SCGP

(1) Mr. Jak jit Klomsing was appointed as a director, replacing Mr. Suchai Korprasertsri, effective from September 2, 2022.

**Directors authorized to sign for and with binding effect on the Company**

Any two directors must sign jointly, together with the Company seal.

**(C) Executives**

TCFP has no executives because it is a holding company.

**(D) Executive Remuneration****(1) Monetary Remuneration**

- None -

**(2) Other Remuneration**

- None -

**Executives' remuneration received from subsidiaries**

No	Company	Executive Remuneration		
		Number of Persons*	Monetary Remuneration** (Baht)	Other Remuneration*** (Baht)
1.	SKIC	8	45,998,766.65	4,236,297.00
2.	Fajar	2	15,777,402.00	None
3.	TCG	10	49,379,180.00	4,597,892.00
4.	PPPC	7	27,229,800.01	2,420,464.00
5.	TCFP	None	None	None

Remarks : \*Including executives who resigned/retired during the year.

\*\*In terms of salary and bonus.

\*\*\*In terms of provident fund contributions.



**Tenure of Directors, Executives, and Controlling Persons in the Company, Subsidiaries, and Related Companies**

Company	Directors/Executives						
	Mr. Wichan Jitpukdee	Mr. Wichan Charoenkitsupat	Mr. Jakjitt Klomsing	Mr. Karan Tejasen	Mr. Suchai Korprasertsri	Mr. Danaidej Ketsuwan	Mr. Sompob Witworrassakul
<b>Subsidiaries</b>							
<b>Packaging Paper Business</b>							
1. Siam Kraft Industry Co., Ltd.	X	/		/		/	/
2. Vina Kraft Paper Co., Ltd.		X	/			/	/
3. Thai Cane Paper Public Co., Ltd.	X	/					
4. United Pulp and Paper Co., Inc.			/				/
5. SCGP Solutions (Singapore) Pte. Ltd.	X						/
6. PT Fajar Surya Wisesa Tbk.	X	/					/
7. PT Dayasa Aria Prima			X				
8. SCG Paper Energy Co., Ltd.			X				
<b>Fiber Packaging Business</b>							
9. Thai Containers Group Co., Ltd.	X		/	/		/	/
10. Thai Containers Khonkaen Co., Ltd.	X		/	/		/	/
11. Thai Containers Rayong Co., Ltd.	X		/	/		/	/
12. Tawana Container Co., Ltd.				X			
13. Orient Containers Co., Ltd.				X			
14. New Asia Industries Co., Ltd.			X				/
15. Alcamax Packaging (Vietnam) Co., Ltd.			X				/
16. Packamex (Vietnam) Co., Ltd.							X
17. AP Packaging (Hanoi) Co., Ltd.			X				/
18. PT Primacorr Mandiri			X				
19. PT Indoris Printingdo			X				
20. PT Indocorr Packaging Cikarang			X				
21. SCGP Solutions Co., Ltd.			X				/
22. Precision Print Co., Ltd.			X				
23. TCG Solutions Pte. Ltd.			X				/
24. Bien Hoa Packaging Joint Stock Company			X				/
25. PT Indonesia Dirlajaya Aneka Industri Box		/	X		/		/
26. PT Bahana Buana Box		/	X		/		/
27. PT Rapipack Asritama		/	X		/		/

<b>Company</b>	<b>Directors/Executives</b>					
	<b>Mr. Wichan Jitpukdee</b>	<b>Mr. Wichan Charoenkitsupat</b>	<b>Mr. Jak jit Klomsing</b>	<b>Mr. Karan Tejasen</b>	<b>Mr. Suchai Korprasertsri</b>	<b>Mr. Danaidej Ketsuwan</b>
<b>Consumer and Performance Packaging Business</b>						
28. SCGP-T Plastics Co., Ltd.				X		/
29. Conimex Co., Ltd.				X		/
30. SCG Rigid Plastics Co., Ltd.				X		/
31. Vexcel Pack Co.,Ltd.				X		/
32. TC Flexible Packaging Co., Ltd.	X	/	/	/	/	/
33. Prepack Thailand Co., Ltd.				X		/
34. Tin Thanh Packing Joint Stock Company				X		/
35. SCGP Rigid Packaging Solutions Pte. Ltd.				X		/
36. Duy Tan Plastics Manufacturing Corporation Joint Stock Company				X		/ /
37. International Healthcare Packaging Co., Ltd.				X		/
38. Deltalab Global, S.L.				X		/
39. Deltalab, S.L.				X		/
<b>Fibrous Business</b>						
40. Phoenix Pulp & Paper Public Co., Ltd.	X	/			/	/
41. Thai Paper Co., Ltd.	X	/			/	/
42. Go-Pak UK Limited		/			X	/
43. Go-Pak Vietnam Limited					X	/
44. Go-Pak Paper Products Vietnam Co., Ltd.					X	/
45. Interpress Printers Sendirian Berhad		/			X	
46. Siam Forestry Co., Ltd.		/			X	
47. Siam Panawes Co., Ltd.		/			X	
48. Suanpa Rungsaris Co., Ltd.		/			X	
49. Panas Nimit Co., Ltd.		/			X	
50. Thai Panaboon Co., Ltd.		/			X	
51. Thai Panaram Co., Ltd.		/			X	
52. Thai Panadorn Co., Ltd.		/			X	
53. Thai Panason Co., Ltd.		/			X	
54. Thai Wanabhum Co., Ltd		/			X	

Company	Directors/Executives					
	Mr. Wichan Jitpukdee	Mr. Wichan Charoenkitsupat	Mr. Jakjitt Klomsing	Mr. Karan Tejasen	Mr. Suchai Korprasertsri	Mr. Danaidej Ketsuwan
<b>Packaging Material Recycling Business</b>						
55. Peute Recycling B.V.						/
56. Peute Papierrecycling B.V.						/
57. Peute Recycling International B.V.						/
58. Peute Plasticrecycling B.V.						/
59. Jordan Trading Inc.						/
<b>Other Business</b>						
60. SCGP Excellence Training Center Co., Ltd.						/
61. SKIC International Co., Ltd.						/
<b>Associated company</b>						
62. Siam Toppan Packaging Co., Ltd.	/			/		/
63. Siam Nippon Industrial Paper Co., Ltd.		/			/	

## Remarks :

- (1) X = Chairman    / = Director
- (2) Exclusions:
  - 1. Dyna Packs Co., Ltd. and D-In-Pack Co., Ltd., which transferred the entire business to Orient Containers Co., Ltd. on November 1, 2020, and registered the dissolution of the companies with the Department of Business Development, Ministry of Commerce, on December 22, 2020. It is currently in the process of liquidation;
  - 2. United Industrial Energy Corporation which registered to cease its business on April 24, 1997;
  - 3. Phoenix Utilities Co., Ltd., which transferred the entire business to Phoenix Pulp & Paper Public Co., Ltd. on October 1, 2021, and registered the dissolution of the company with the Department of Business Development, Ministry of Commerce, on December 20, 2021. It is currently in the process of liquidation;
  - 4. Other subsidiaries and associated companies in which the Company's executives are not directors including subsidiaries of Duy Tan, Deltab and Peute, Invenique Co., Ltd., P&S Holdings Corporation, and Sahagreen Forest Co., Ltd.
- (3) SCGP's directors do not hold any positions in any subsidiary or associate, except those shown in the table above.
- (4) Details of SCGP's directorships in related companies are under 'The Board of Directors and Management Committee Information'.
- (5) SCGP's executives are not directors of any related company that may present a conflict of interest.

# Employee Information

## Employees of SCGP and Its Subsidiaries

### A) Number of Employees

As of December 31, 2022 and 2021, SCGP and its subsidiaries had 22,289 and 23,341 employees, respectively. Further details are given below.

Department	December 31, 2022 (Employees)	December 31, 2021 (Employees)
Production	11,769	12,324
Technical	3,488	3,653
Sales & Marketing	1,969	2,058
QC/QA	826	865
Human Resources & Administration	718	752
Supply Chain	555	582
Accounting & Finance	327	343
Research & Development	170	179
Project	298	313
Management Information System	145	152
Business Planning	40	42
Others	1,984	2,078
<b>Total</b>	<b>22,289</b>	<b>23,341</b>

Country	December 31, 2022 (Employees)	December 31, 2021 (Employees)
Thailand	8,731	8,845
Indonesia	5,009	5,492
Vietnam	7,721	8,164
Philippines	441	500
Malaysia	96	114
Spain	202	226
Netherlands	78	-
United States of America	11	-
<b>Total</b>	<b>22,289</b>	<b>23,341</b>

### B) Significant Change in Employee Numbers in the Past Three Years

In recent years, employee numbers of SCGP and its subsidiaries have changes as follows.

As of	Number of Employees	Increase/(Decrease)	Percentage
December 31, 2020	14,961	(554)	(3.7)
December 31, 2021	23,341	8,380	56.0
December 31, 2022	22,289	(1,052)	(4.5)

In 2020, the number of employees decreased due to the implementation of efficient improvement processes, for example, Leanness, Automation, Work Approach & Tools, etc. In 2021, the number of employees increased significantly from the acquisitions of Go-Pak, Duy Tan, Intan Group, and Deltalab. In 2022, the number of employees did not significantly change, and the Company maintained efficient human resources management on a consistent basis.

### C) Employee Remuneration

For the retention of skilled and competent employees, the Board of Directors defined a remuneration policy that offers competitive compensation and benefits on par with those of leading companies and in line with the short-term and long-term performance of SCGP. In addition, employee welfare is offered to ensure that SCGP's employees work in a safe and secure environment and get sufficient support to undertake their duties efficiently under any circumstances and conditions.

SCGP budgets its employee remuneration in accordance with its short-term and long-term operating results. In the short term, SCGP considers annual operating results, such as revenues from sales, net profit, and EBITDA. In the long term, SCGP takes into account the performance of its medium-long term plans, such as business expansion, profit growth, market shares, overall sustainable development performance, and continuous operational enhancement.

For the fiscal year ended December 31, 2022, SCGP and its subsidiaries paid remuneration to their employees of Baht 11,733,050,510, including salary, bonus, and provident fund contributions; the remuneration ratio between male and female employees is 3 : 1.

In addition to the above remuneration, SCGP provided welfare to support employees and relieve their problems, for example, a provident fund, medical care (inpatient and outpatient), dental care, uniform costs, and shuttle bus/transportation costs (in some areas). In 2022, SCGP considered adding more welfare, for example, mental health care with psychotherapists and psychiatrists to promote EQ and mental stability in and out of work. Moreover, provisional living expenses were covered for operating and supervisory employees during April - December.

### Provident Fund

For the long-term care of employees and enrichment of their quality of life after retirement, SCGP has provided a provident fund for its employees. About 98% of all employees of SCGP and its subsidiaries in Thailand\* enrolled the provident funds, managed by the following asset management companies:

- Principal Asset Management Company Limited
- SCB Asset Management Company Limited
- Krung Thai Asset Management Public Company Limited
- Kasikorn Asset Management Company Limited

For selection criteria of the above asset management companies for the provident fund, SCGP has a policy to encourage the Provident Fund Committee to select fund managers who exercise the Investment Governance Code for Institutional Investor (I Code) and/or Environmental, Social and Governance (ESG) criteria. Also, the fund managers must conduct business in accordance with a good investment governance code. In addition, the committee shall disclose the criteria for the selection of the fund managers in a management committee meeting. This is to ensure maximum and long-term benefits for the members.

### D) Labor Disputes

SCGP and its subsidiaries have had no labour disputes that have caused a significant impact on business operations over the past three years.

### E) Employee Engagement Assessment

SCGP has continuously conducted the organization engagement survey among employees in Thailand and countries where SCGP operates its business in cooperation with the world's leading consulting firm that excels at the organization engagement study.

To assess the organization engagement, SCGP carries out two types of surveys:

1. Employee Engagement Full Surveys, which shall be conducted every two years; and
2. Employee Engagement Pulse Surveys, which shall be conducted on specific topics as appropriate.



In 2022, SCGP undertook the Employee Engagement Full Survey to get the employees' opinions and feelings towards SCGP. SCGP organized various activities to promote employee engagement by incorporating factors, causes, and suggestions proposed by employees in reference to the 2021 Engagement Survey (Employee Engagement Pulse Surveys in 2021). The activity structure was designed for all levels from the company level, business level, and down to department level, for example; providing learning courses that show career paths and advancement for employees to choose from; holding Performance Dialogue to facilitate mutual understanding between supervisors and employees; and improving human resource management systems and welfare to facilitate and alleviate employees' problems. The survey showed SCGP's average employee engagement score of 78%, higher than the average score of general companies of 68% while the turnover rate was 5.35%

As for the employee engagement in 2023, SCGP will follow the existing plans to ensure continuity, sustainability, and efficiency for the employees.

#### F) Human Resource Development Policy

SCGP's human resources policy is based on SCGP's core values. SCGP believes that employees are the most important asset. The recruitment, retention, and development of qualified and capable employees are hence designed to be in line with SCGP's values.

Strengths of SCGP's Human Resources Policy include continuous investment in employee growth and employee development, by focusing on improving human resources management and practices. SCGP is also implementing various human resources development programmes to foster continuous learning and a culture that promotes belief in one's own abilities among employees. SCGP has developed SCGP Employee Development Framework to increase efficiency.

All SCGP employees must attend the competency development program and work under the Performance Management System (PMS), which encourages cooperation between SCGP employees. SCGP intends to add value to the employees as that would lead to SCGP's advancement. Employees' knowledge, abilities, and skills are built as follows:

1. Develop employees' skills in order to adapt to changes, meet customer demand, and support business expansion. All employees will receive training regarding leadership competency, for example, Customer & Consumer Centricity, Agility, Resilience, Diversity, Global Mindset & Perspective, and Technology & Digital Adaptability.
2. Determine clear leadership roles in accordance with SCGP culture and behavior and in line with work expectations. Specify behavior which leaders shall act in daily work and educate about leadership roles and competency at the management level as follows:
  - Engagement – Engage with the team, create inspiration and encourage teamwork.
  - Imagination – Be visionary and guide the team to see the big picture.
  - Execution – Develop a work process and achieve success through actions and changes.

In 2022, SCGP provided an average of 26 hours of training per person for executives and employees in Thailand, with a focus on developing their operational potential.

In addition, SCGP cultivates an awareness of social and environmental responsibilities in the organization through training courses on environmental management for employees at all levels. These include an orientation training course on "Environmental Conservation Management" for new employees, which covers the Environment and Climate Policy, the 3Rs, environmental conservation, and waste separation. The objectives of these trainings are to communicate SCGP's environmental policies and raise employees' awareness of environmental conservation. SCGP also provides in-depth staff training for their roles, such as on wastewater treatment for industrial and surrounding communities, energy management, renewable energy uses, and environmental practices according to laws and regulations. Additionally, SCGP organizes activities to raise environmental awareness and promotes environment-related campaigns for employees and business partners in accordance with the sustainable development guidelines.

In addition, education on SCG Packaging's Code of Conduct, as a part of the Core Value Leadership, is provided for all employees and executives of every level to have access to the self-learning tools on the topic of Ethics & Integrity covering: 1. Conflicts of Interest Prevention; 2. Insider Trading Prevention and 3. Anti-corruption. The content and materials were implemented into the SCGP's learning system, including videos and documents that can be remotely accessed at any time. Furthermore, all employees and executives must take an annual test and pass with a 100% pass rate.

The three aforementioned ethics are also included in various courses as per the SCGP Employee Development Framework, allowing employees to review the information whenever an opportunity arises, such as during orientation program (12 programs/year on average) to allow new hires to understand and realize the importance of SCGP's ethics, "We Plus" program (1-2 programs/year) to train new heads of department on their roles and cautions regarding the Code of Conduct compliance which may apply to a head of department, etc.

Moreover, SCGP encourages its personnel to be aware of insider trading prevention, conflicts of interest prevention, and anti-corruption through emails, policies publication on SCGP's website comprising the Prevention of Conflicts of Interest Policy, the Insider Information Management and IT Governance Policy, and the Anti-corruption Policy, as well as reporting insider trading and conflicts of interest guidelines to all directors and executives.

SCGP also supports employee development by providing scholarships to employees for further studying at leading universities around the world in the fields related to SCGP's business, such as materials science and packaging design. As of December 31, 2022, SCGP had 78 scholarship employees pursuing their studies in a Master of Business Administration (MBA), a Master's degree in other fields, and a Doctor of Philosophy (PhD) in a specific field. As of December 31, 2022, 73 scholarship employees had completed their master's degrees, and 5 had completed their PhDs.

# Other Important Information

## Company Secretary

Ms. Wararee Toah-ngern is the Company Secretary who has roles and responsibilities as specified in Section 89/15 and Section 89/16 of the Securities and Exchange Act B.E. 2535 (and its amendments) and other responsibilities assigned by SCGP and the Board of Directors, such as being responsible for organizing the meetings of the Board, sub-committees and shareholders. The Company Secretary is also in charge of preparing the minutes of the Board's meetings, the minutes of the shareholders' meetings, and the Annual Report, as well as filing documents as stipulated by law. The appointed Company Secretary is deemed appropriate by the Board as she is knowledgeable in managing corporate secretarial work, having served as the Director of the Corporate Secretary Office, which supports corporate secretarial work involving compliance with laws, rules, and regulations as well as overseeing and supervising works with regard to SCGP's corporate governance.

## Person Supervising Accounting

Mrs. Nadarat Pomtri is the Accounting Director and is directly responsible for accounting controls and making sure that SCGP's accounting transactions are efficient and in accordance with regulations, company procedures, and accounting standards. She is qualified as per the accountant's criteria specified by the Notification of the Department of Business Development.

## Head of Internal Audit

Ms. Panunda Sunyakorn is the Director of the Internal Audit Office and SCGP's internal auditor, who has been assigned to prepare reports and suggest improvements in accordance with SCGP's internal control plans and policies.

## Head of Compliance

Ms. Suchada Assawaharutai, the Safety and Productivity Management Manager, has been assigned to be responsible for overseeing compliance in SCGP to ensure that all operations comply with the laws and government policies.

SCGP established a corporate unit for Compliance Management to develop efficient compliance practices and processes for SCGP and its subsidiaries, as well as educate and raise awareness regarding SCGP's compliance. In addition, it is responsible for advising, supporting, monitoring, and analyzing data, as well as assessing and reporting compliance's effectiveness and efficiency, to ensure that SCGP operates its business in compliance with applicable regulations, which, in turn, promotes improvement and enhancement of SCGP's compliance level.



**Information on the Company Secretary, Person Supervising Accounting, Head of Internal Audit and Head of Compliance**

Name- Surname/ Position	Age (Year)	Education/Training	Period	Position	Past Experience	Department/Company/Business Type
Ms. Wararee Toah-ngern	44	<ul style="list-style-type: none"> <li>Master of Arts in Diplomacy and International Relations, Seton Hall University, USA</li> <li>Bachelor of Arts, Thammasat University</li> <li>Training Certificate from the Thai Institute of Directors Association (IOD)</li> <li>Company Secretary Program (CSP) 113/2020</li> <li>Board Reporting Program (BRP) 33/2020</li> </ul>	December 1, 2020 – Present 2019 – Present 2019 – Present 2017 – Present	Company Secretary Company Secretary and Secretary to the Board of Directors Secretary to the Board of Directors Secretary to the Board of Directors of Subsidiaries	Thai Cane Paper Public Company Limited/Packaging Paper Manufacturing and Distribution Phoenix Pulp and Paper Public Company Limited/Pulp and Food Packaging Manufacturing and Distribution SCGP's subsidiaries, as assigned	SCGP/Holding company
Mrs. Nadarat Pomtri	50	<ul style="list-style-type: none"> <li>Bachelor of Accountancy, Kasetsart University</li> <li>Management Development Program, Wharton University of Pennsylvania</li> <li>Management Acceleration Program, Duke University</li> <li>McKinsey Management Program, McKinsey</li> <li>14-hour accounting training from the accounting training institute approved by the Federation of Accounting Professions and Department of Business Development</li> </ul>	July 1, 2020 – Present 2018 – 2020 2016 – 2018 2015 – 2016 2013 – 2015 2009 – 2013	Accounting Director Head of Business Process Improvement Accounting System Senior Manager of Process Design and Improvement Accounting System Senior Manager of Accounting System Manager of Accounting System Manager of Finance & Taxation – Paper & Investment/General Ledger Process	SCG Cement – Building Material Group/Cement and Building Materials Industry SCGP/Holding company SCGP/Holding company SCGP/Holding company SCC/Holding company SCG Accounting Services Company Limited/Activities related to accounting, auditing and tax advisory	

<b>Name- Surname/ Position</b>	<b>Age (Year)</b>	<b>Education/Training</b>	<b>Past Experience</b>		
			<b>Period</b>	<b>Position</b>	<b>Department/Company/Business Type</b>
Ms. Panunda Sunyakorn	47	<ul style="list-style-type: none"> <li>• Master of Economics, Kasetsart University</li> <li>• Bachelor of Accountancy, Kasetsart University</li> <li>• Management Development Program, Duke University</li> <li>• Certified Professional Internal Audit of Thailand (CPIAT), Institute of Internal Auditors of Thailand</li> </ul>	December 1, 2020 – Present 2014 – 2020 1996 – 2013	Internal Audit Director Audit Manager Auditor	SCGP/Holding company SCC/Holding company SCC/Holding company
Ms. Suchada Assawahantai	57	<ul style="list-style-type: none"> <li>• Master of Business Administration, Chulalongkorn University</li> <li>• Bachelor of Engineering, Chulalongkorn University</li> </ul>	October 1, 2021 – Present 2020 – Present 2019 – 2020	Safety & Productivity Management Manager Manager – Center of Competency Manager – Productivity Management and Continuous Improvement	SCGP/Holding company SCGP/Holding company Thai Containers Group Company Limited/ Manufacturing and Distribution of Fiber Packaging



### **Head of Investor Relations Office, Contacts, and Roles and Responsibilities**

Name: Mr. Vikorn Phongsathorn  
Address: 1 Siam Cement Road, Bangsue, Bangkok 10800  
Tel: 02 586 2939  
Email: SCGP\_invest@scg.com

SCGP established the Investor Relations Office to manage and conduct action plan in accordance with the sustainable development guidelines, being responsible for the communication of important information which shall reflect SCGP's actual values to shareholders, investors, and securities analysts, both domestically and overseas, as per the regulations of the Securities Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC), while maintaining the accuracy, completeness, and fairness of the disclosure. Several communication channels were provided, including disclosure of information in annual reports, on SCGP's and on SET's website, as well as holding press conferences and analyst conferences in relation to SCGP's business results on a regular basis. The Investor Relations Office shall also be responsible for building trust, image, and positive opinions among investors and being receptive to the comments, feedback, and expectations of shareholders, investors, and securities analysts in order to present the information to SCGP's top executives.

### **Remuneration of the Audit Office and Affiliates**

#### **1. Audit Fee**

For the fiscal year ended December 31, 2022, SCGP and its subsidiaries paid audit fees of (a) Baht 10.47 million for KPMG Phoomchai Audit Company Limited and (b) Baht 18.12 million for KPMG Group overseas.

#### **2. Non-audit Fee**

For the fiscal year ended December 31, 2022, SCGP and its subsidiaries paid non-audit fees of Baht 4.57 million to KPMG Phoomchai Audit Company Limited and the companies in the group of KPMG Phoomchai Audit Company Limited, comprising Baht 0.74 million for the review of compliance with conditions of the Thai government's Board of Investment Promotion Certificate and Baht 3.83 million for tax consulting fees and other services, which were mostly legal and tax consulting fees in relation to the restructuring of the group of companies in Vietnam to improve management efficiency.

The Management considered and opined that other service fees outside of the audit fees from the Audit Office and its affiliates did not cause any conflict of interest, preserving the independence and impartiality of auditors in their work. The matter was thus proposed and approved by the Audit Committee.

# **Key Corporate Governance Performance Report**



# Key Corporate Governance Performance Report

## Summary of the Board's Performance in the Past Year

SCGP conducts business and operates under the thorough supervision of the Board of Directors. The Board is determined to adhere to its core values of doing business with fairness, transparency, and responsibility towards all stakeholders and to conform to the principles and guidelines of good corporate governance at the national, regional, and international level. The Board also acts in accordance with SCG Packaging's Corporate Governance Policy and Code of Conduct to build confidence among shareholders, investors, and other stakeholders. It also aims to create a good corporate culture and values and support the creation of good business results for SCGP by strengthening competitiveness and sustaining growth.



In 2022, the Board of Directors reviewed SCGP's policies, measures, and guidelines for good corporate governance in order to improve its good corporate governance standard. This aims to ensure their continued effectiveness and corresponding to the changes in economy, society, and environment, as well as the business expansion of SCGP for sustainable growth. Its key performances are as follows:

- Reviewed and approved the formulation of visions, strategic plans, business models, and business plans for both the medium term (five years) and annually, with an emphasis on enhancing competitiveness, risk management, and the effectiveness of corporate governance to achieve sustainable growth by delivering

innovative products and services and packaging solutions that exceed the expectations of customers. Other goals set by the Boards are to step up as one of the top packaging solutions providers who lead in sustainable business practices, develop the Company's business as per the ESG framework while contributing to society, ensure a sustainable environment, and regularly assess the strategic plan's performance;

- Reviewed the charters, policies, practices, and corporate governance system of SCGP in accordance with the business operations of SCGP and its subsidiaries, the 2017 Corporate Governance Code for Listed Companies, and international corporate governance practices as described in the Corporate Governance Policy section of this report;

- Passed the assessment and being certified by the Thai Private Sector Collective Action Against Corruption (CAC) as a “Certified Company” on March 31, 2022;
- Organized the 2022 Annual General Meeting of Shareholders on March 29, 2022. The meeting was held by way of electronics means (E-Meeting) in compliance with the government policy requiring the private sector to avoid organizing events where a large number of people were gathered or to organize such events with strict measures in order to prevent the spread of COVID-19. The e-meeting system is provided by Inventech System (Thailand) Co., Ltd. to ensure that the meeting complies with the e-meeting standard set forth by the Electronic Transactions Development Agency. The system provided by Inventech allowed easy access and facilitate the participation of the attendants in all processes, including e-registration, proxy authorization, meeting attendance, a Q&A session done via video conference, e-voting, and vote counting. SCGP attached the procedures for e-request submission and e-meeting system usage with the notice of the meeting in order to allow the shareholders and the authorized proxies to learn and become familiar with the procedure beforehand. This is aimed to facilitate smooth, accurate, and transparent meetings. Also, SCGP allowed the shareholders to submit the questions related to the meeting agenda in advance of the meeting. All the questions submitted in advance of the meeting and during the meeting via the Inventech Connect system or video conference, as well as the answers, are summarized in minutes of the shareholder’s meeting, which were published through the publishing system of the Stock Exchange of Thailand and SCGP’s website within 14 days after the meeting. In this meeting, all 12 directors attended the meeting, reaching 100% attendance. Through careful and considerate measures and preparation, as well as respect towards shareholders’ rights, SCGP’s meeting was assessed by the Thai Investors Association and fully scored 100 points (AGM Checklist);
- The Board of Directors and all the sub-committees scheduled the meetings in advance each year. In 2022, the Company Secretary announced the schedule and key agendas for the Board to consider and provide an approval in the fourth quarter of the year prior to the next year’s meetings. This is to allow all the Board members to allocate their time for the meeting. Unless there is an emergency, the Company Secretary may send the meeting invitation to all board members no less than five business days before the meeting, along with the agenda and attachments, to allow enough time for the board members to consider all

information before attending the meeting. Also, the Board of Directors held the meetings between non-executive directors without the Management. In 2022, two meetings among non-executive directors (without the Management) were held in August and November on the topics of SCGP people’s development, succession planning, and top executives’ development.

## **Directors’ Nomination, Development, and Performance Assessment**

Directors’ nomination, development, and performance assessment are important matters in SCGP’s Corporate Governance principles. This is because the Board of Directors plays a key role in formulating strategy and business practices for sustainable growth. Details on the Policy on Qualification and Nomination of Company Directors, including the nomination and selection process, are given in the Corporate Governance Policy section.

### **Nomination of Independent Directors**

The Board of Directors assigns the Corporate Governance and Nomination Committee to consider and scrutinize the qualifications of persons who will serve as independent directors. Independent directors’ selection is based on qualifications and required characteristics in the Public Company Act, the Securities and Exchange Act, the Capital Market Supervisory Board’s notifications, other relevant announcements, rules, and/or regulations, as well as the Independent Directors’ Qualifications disclosed on SCGP’s website ([www.SCGPackaging.com](http://www.SCGPackaging.com)). The Board also follows the Board Skills Matrix by choosing candidates with the qualifications, knowledge, expertise, and experience that SCGP needs for its business strategy. The committee then presents the qualified candidates to the Board of Directors and/or the shareholders’ meeting for further consideration. According to SCGP’s policy, at least one-third of its directors shall be independent, and there shall be at least three persons. In addition, the Charter of the Board of Directors requires independent directors to hold their position for no more than nine consecutive years from the date of their first appointment as independent directors. Whenever an independent director is asked to keep their position for longer than this period, the Board should reasonably consider its necessity.

In 2022, SCGP had eight independent directors, or more than half of its total number of directors (12). Three independent directors have professional capacities or business relationships that exceed the criteria specified in the notification of the Capital Market Supervisory Board as follows: Professor Kitipong

Urapeepatanapong, Mr. Vanus Taepaisitphongse, and Mr. Vibul Tuangsithisombat. The Board of Directors (excluding directors who have a conflict of interest), with the Corporate Governance and Nomination Committee's recommendations, carefully considered the independent director qualifications for all three aforementioned directors and the principles of fiduciary duties in accordance with Section 89/7 of the Securities and Exchange Act B.E. 2535 (as amended) and opined that the appointment of the three aforementioned directors as the Company's independent directors would neither impact their independent performance of duties nor their independent opinions. In addition, knowledge, expertise, and experience in a specific field that could be beneficial to SCGP will improve the performance of the Board of Directors. Thus, all three directors were appointed through independent director qualifications as follows:

- 1) Professor Kitipong Urapeepatanapong, who retired on June 30, 2021, from being the Chairman and the director of the Board of Baker & McKenzie Company Limited (BM) which provided legal advice and received service fees of more than Baht 2 million per year, was considered not yet over two years lapse from providing professional service for fees amounted exceeding the criteria specified in the Capital Market Supervisory Board's notification. The Board of Directors (excluding Professor Kitipong Urapeepatanapong), with the recommendations of the Corporate Governance and Nomination Committee (excluding Professor Kitipong Urapeepatanapong), carefully considered and opined that the appointment of Professor Kitipong Urapeepatanapong as the Company's independent director would neither affect his independent performance of duties and opinions nor cause a conflict of interest between the two companies. His knowledge, expertise, and experience in all aspects of the law, especially in tax law, corporate law, securities law, business law, and other regulations relating to SCGP's business, were deemed necessary to promote and strengthen the Company's business operations and expansions. His expertise will also support SCGP's management and compliance needs and increase the Board of Directors efficiency. Thus, Professor Kitipong Urapeepatanapong was appointed as an independent director.
- 2) Mr. Vanus Taepaisitphongse is the Chairman of the Executive Board of Betagro Public Company Limited and its affiliates, which have business relationships with SCGP's subsidiaries amounted over Baht 20 million. This exceeds the criteria regarding the value of business relationships specified in the notification of the Capital Market Supervisory Board. The Board of Directors (excluding

Mr. Vanus Taepaisitphongse), with the Corporate Governance and Nomination Committee's recommendations, carefully considered and opined that the appointment of Mr. Vanus Taepaisitphongse as the Company's independent director would neither affect his independent performance and opinions nor cause a conflict of interest between the two companies. His knowledge, expertise, and vast experience, especially in policy-making, strategic planning, innovation support, industrial technology application, environmental and social management, and governance, which were deemed necessary to promote and strengthen the Company's business operations and expansions, will also increase the Board of Directors' efficiency. Thus, Mr. Vanus Taepaisitphongse was appointed as an independent director.

- 3) Mr. Vibul Tuangsithisombat is the Chief Executive Officer, a director, and an indirect shareholder of Nan Yang Textile Group and its subsidiaries, which have business relationships with SCGP's subsidiaries amounted over Baht 20 million. This exceeds the criteria regarding the value of business relationships specified in the notification of the Capital Market Supervisory Board. The Board of Directors (excluding Mr. Vibul Tuangsithisombat), with the Corporate Governance and Nomination Committee's recommendations, carefully considered and opined that the appointment of Mr. Vibul Tuangsithisombat as the Company's independent director would neither affect his independent performance and opinions nor cause a conflict of interest between the two companies. His knowledge, expertise, and experience in management for the main business of SCGP and relevant businesses in the value chain of the Company, especially in international business management, innovation and technology support, and risk management, which were deemed necessary to promote and strengthen the Company's business operations and expansions, will also increase the Board of Directors' efficiency. Thus, Mr. Vibul Tuangsithisombat was appointed as an independent director.

## Nomination of Directors and Top Executives

The Board of Directors assigns the Corporate Governance and Nomination Committee to consider and nominate qualified persons to replace retiring directors or in other cases, and to propose the candidates to the Board of Directors and/or at the shareholders' meeting for election. Qualified candidates are selected from various professional backgrounds and must exhibit leadership, exemplary vision, morality, ethics, clear and unblemished career records and be able to devote their time as a director and express opinions independently.

Shareholders have the right to elect directors at the shareholders' meeting in accordance with the rules and procedures prescribed in SCGP's Articles of Association. The shareholders' voting rights are equal to one vote per share. Directors are elected individually, and shareholders have the right to elect nominated persons as directors (but not exceeding the number of directors that can be elected at the time). Votes cannot be divided. The meeting's chairman has a casting vote, which will determine the number of directors to be elected at that time. According to the Board's proposal, the 2022 Annual General Meeting of Shareholders (the 29<sup>th</sup> Meeting) on March 29, 2022, considered and re-elected four former directors, namely Mr. Prasarn Trairatvorakul, Mrs. Pongpen Ruengvirayudh, Mr. Vanus Taepaisitphongse, and Mr. Vibul Tuangsithisombat, to be the directors of the Company for another term, with all four aforementioned directors being qualified as independent directors as proposed by the Board.

To nominate top executives, the Board of Directors appoints the Chief Executive Officer according to the Remuneration Committee's recommendations. The Remuneration Committee is responsible for considering succession plans for the Chief Executive Officer and the SCGP's top executives and proposing them to the Board of Directors for further consideration to maintain performance continuity. In this regard, the Chief Executive Officer has the power and duty to manage SCGP as assigned by the Board of Directors. This is stated in the Corporate Governance Policy section (in the Scope of Duties and Responsibility of the Chief Executive Officer topic) of this report, which is reviewed annually.

## Succession Plan and Policy

Succession planning is an important tool to enable succession between each generation of executives to pass on visions, medium-term business development plans, and sustainable development goals. SCGP evaluated a high-performance employee group (or talent group) annually to see whether their characteristics, knowledge, and capabilities aligned with the Company's future organizational capabilities, such as customer and consumer centricity, technology and digital adaptability, global mindset and perspective, etc. In addition, SCGP will support the talent group's career path and employee development through different learning opportunities, both for professional development (Functional) and leadership development (Transformative Leadership). This will prepare employees to support SCGP's business expansion, both domestically and overseas, and rise to the rank of future leaders.

The Board of Directors established a policy and guidelines for the nomination and development of the Chief Executive

Officer and the top executives in order to ensure that the nominated candidates possess the knowledge, skills, experience, qualifications, and characteristics (collectively known as "Leadership Competency") required for SCGP's goal achievement. Also, the Board of Directors determined an agenda for succession planning of the Chief Executive Officer and executives and its progress, at least once a year, with the Remuneration Committee's recommendations, and offered comments in a sincere, careful, fair, and unbiased manner to increase the successor pool with individuals who possess appropriate potential, qualification and competency, domestically and internationally. At least three candidates shall be nominated for each position. In 2022, the Board of Directors considered and followed up on the progress of succession planning and executive development at the meetings twice, in August and November.

SCGP annually formulated individual development plans for the Chief Executive Officer and executives. The plans are designed for different time periods, 1-3 years and 4-5 years. They will serve as guidelines for self-development and tools for improving essential business-related skills for enterprise leaders, such as strategic thinking, networking, leadership competency, talent competency, and the leadership pipeline. SCGP also established relocation plans for capability improvement on a wider scale to prepare its successors. The executive development plans included supporting the executives to attend the diverse corporate management programs, such as the Advanced Management Program (AMP), provided by the top global institutes, namely Harvard Business School, Stanford University, London Business School, IMD Business School, INSEAD, etc. The CEO will propose individual development plans to the Remuneration Committee to consider, approve, and report to the Board of Directors.

## Director Development

In 2022, the Board of Directors approved Board of Directors' development guidelines in accordance with the Corporate Governance and Nomination Committee's recommendations to ensure that the director development process is conducted systematically with proper procedures and in written form. This aimed to help directors improve their skills and knowledge relating to their assigned responsibilities on a continuous basis and ensure that they receive up-to-date information. In 2022, the directors participated in the in-house seminar and discussion, focusing on the sustainable business and development of SCGP, which was organized by SCGP and The Siam Cement Public Company Limited (SCC). At the seminar, the directors and the Management exchanged information and opinions, debated and discussed thoroughly with experts from external institutes as follows:

**Attendance of In-house Seminar and Discussion Organized by SCGP**

Directors	SCGP's In-house Seminar and Discussion			
	Vision & Medium Term Plan 2022-2026	Annual Plan 2022	Future of Packaging beyond 2022 and Industry Impacts from Geopolitical Scenarios	Visions of Future Societies
1. Mr. Prasarn Trairatvorakul	●	●	●	●
2. Mr. Thammasak Sethaudom	●	●	●	●
3. Police Colonel Thumnithi Wanichthanom*	●	●	●	N/A**
4. Mrs. Kaisri Nuengsigkapian	●	●	●	●
5. Mr. Chalee Chantanayyingong	●	●	●	●
6. Mrs. Pongpen Ruengvirayudh	●	●	●	●
7. Professor Kitipong Urapeepatanapong	●	●	●	●
8. Mr. Vanus Taepaisitphongse	●	●	●	●
9. Mr. Vibul Tuangsittisombat	●	●	●	●
10 Mrs. Suphajee Suthumpun	●	●	●	●
11. Mr. Thiraphong Chansiri	●	●	-	-
12. Mr. Wichan Jitpukdee	●	●	●	●

\*Appointed as a director on June 1, 2022.

\*\*Not applicable as not yet appointed as a director

**Attendance of In-house Seminar and Discussion Organized by SCC**

Directors	SCC's In-house Seminar and Discussion				
	Metaverse Sharing	Inflation	Perspective towards US Economy and Politics and Their Effects on Thailand's Economy	Perspective towards China's Geopolitics, International Relations, and Economic Trends	Vietnam's Economy and Politics
1. Mr. Prasarn Trairatvorakul	●	●	●	●	●
2. Mr. Thammasak Sethaudom	●	●	●	●	●
3. Police Colonel Thumnithi Wanichthanom*	●	-	-	-	-
4. Mrs. Kaisri Nuengsigkapian	-	-	●	-	●
5. Mr. Chalee Chantanayyingong	●	●	-	●	●
6. Mrs. Pongpen Ruengvirayudh	-	●	●	●	-
7. Professor Kitipong Urapeepatanapong	-	-	-	-	●
8. Mr. Vanus Taepaisitphongse	-	●	-	●	●
9. Mr. Vibul Tuangsittisombat	-	●	-	-	●
10 Mrs. Suphajee Suthumpun	-	-	-	-	-
11. Mr. Thiraphong Chansiri	-	-	-	-	-
12. Mr. Wichan Jitpukdee	●	●	●	●	●

\*Appointed as a director on June 1, 2022.



**Growth with Quality**



**Innovation & Packaging Solutions**



**ESG 4 Plus**



**Operational Excellence & Synergies**

SCGP supported all the Directors for membership in the Thai Institute of Directors Association (IOD) in order for them to receive updates and knowledge that would be beneficial for the directors and invited them to various programs of their interest. Also, the Company provided directors with important information or updates that emerged in 2022, including the essence of the new or amended laws, and/or the subjects that were interesting or related to SCGP's operations, as well as gathering the guidelines, manuals,

and recommendations on corporate governance for listed companies established by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and IOD. In 2022, the directors participated in seminars held by external organizations, such as the Thai Institute of Directors Association, the Securities and Exchange Commission, the Bank of Thailand (BOT), EY Corporate Services Limited (EY), and the Office of Insurance Commission (OIC). The details were as follows:

- |                             |  |
|-----------------------------|--|
| Mrs. Kaisri Nuengsigkapian  | <ul style="list-style-type: none"> <li>• Subsidiary Governance Program (SGP) 1/2022, IOD</li> <li>• Outbound Investment (Online) (RFP) 8/2022, IOD</li> <li>• Audit Committee Seminar, EY</li> </ul>   |
| Mr. Chalee Chantanayyingong | <ul style="list-style-type: none"> <li>• Director's Briefing 5/2022: Leadership that Shapes the Future by IOD</li> <li>• Board Nomination and Compensation Program (BNCP) 14/2022, IOD</li> <li>• IOD National Director Conference 2022 - Wisdom for the Future: Harmonizing the Diverse Boards, IOD               <ul style="list-style-type: none"> <li>■ EP.3: Courageous Decisions Behind Closed Doors</li> <li>■ EP.4: Engaging C-Suite: How to Build Healthy Teamwork Without Crossing the Line</li> <li>■ EP.5: Reimagine your next S-curve: Technology &amp; Innovation, Business Transformation, and Sustainability</li> </ul> </li> <li>• Director's Briefing 9/2022: Geopolitical Risk and Opportunity, IOD</li> <li>• Hot Issue for Directors: What directors need to know about digital assets? 2022, IOD</li> <li>• Seminar: "Easy Listening: Accounting Tips that AC should not miss EP. 2", SEC</li> <li>• BOT Digital Finance Conference 2022, BOT</li> </ul> |
| Mrs. Pongpen Ruengvirayudh  | <ul style="list-style-type: none"> <li>• Advanced Audit Committee Program (AAPC) 46/2022, IOD</li> <li>• Subsidiary Governance Program (SGP) 1/2022, IOD</li> <li>• Outbound Investment (RFP) 8/2022, IOD</li> <li>• Audit Committee Seminar, EY</li> <li>• Seminar: "Easy listening: Accounting knowledge that AC should not miss EP.2", SEC</li> <li>• Seminar: "Cyber Resilience Leadership: SMART Goal", BOT jointly held with SEC and OIC</li> </ul>  |
| Mr. Vanus Taepaisitphongse  | <ul style="list-style-type: none"> <li>• Subsidiary Governance Program (SGP) 1/2022, IOD</li> <li>• IOD National Director Conference 2022 - Wisdom for Future: Harmonizing the Diverse Boards, IOD               <ul style="list-style-type: none"> <li>■ EP.3 Courageous Decisions Behind Closed Doors</li> </ul> </li> </ul>   |

Presently, 11 directors, amounting to a 92% of total directors, participated in director training courses, such as the Director Certification Program (DCP) and the Director Accreditation Program (DAP). Details were recorded in the Board of Directors' Profile, under the Corporate Governance Structure and Important Information on the Board of Directors, Sub-committees, Executives, Employees, and Others section of this report.

Since the commencement of SCGP share trading on the Stock Exchange of Thailand in October 2020, SCGP has continuously expanded its business, both domestically and overseas, both horizontally and vertically. It is important to equip directors and executives with knowledge in the use and protection of internal information and the prevention of conflicts of interest. In 2022, SCGP presented all the directors and executives an executive summary regarding the use and protection of internal information and the prevention of conflicts of interest comprising policies, practices, prohibitions, and examples for better understanding. Also, the Board of Directors visited the subsidiaries in Thailand and Vietnam to observe the management and growth of business, the economic and social situations, the market growth, and the development of a new industrial zone in the central region of Vietnam. On such an occasion, the Board of Directors had the opportunity to meet face-to-face with the subsidiaries' management and employees, and communicated the guidelines on corporate governance, business ethics and sustainable growth, as well as the organizational culture of SCGP.

SCGP held an orientation for one new director in 2022 namely Police Colonel Thumnithi Wanichthanom, who was appointed as a director in replacement of Mr. Cholanat Yanaranop. The Company Secretary acted as a coordinator to prepare and provide information about SCGP for the new director, for example, business general information, business structure, the Board of Directors structure, schedule for 2022 Board of Directors' meetings, the Corporate Governance Handbook, the Articles of Association, and important laws, etc. The new director was arranged to meet with the Chief Executive Officer and the Chief Financial Officer to be briefly informed on the business operations of SCGP and its subsidiaries before attending his first Board of Directors' meeting. The orientation proceeded in accordance with the Board of Directors' development guidelines, which were approved by the Board of Directors as recommended by the Corporate Governance and Nomination Committee.

## **Directors' Performance Assessment**

In 2022, the Board of Directors approved the adjustment of performance assessments for the Board of Directors and sub-committees as proposed by the Corporate Governance and Nomination Committee, and ensured that performance assessments of the Board of Directors and sub-committees as a whole were conducted, along with self-assessments, which were divided into five main topics: 1) Structure and qualifications of the Board of Directors/sub-committees 2) Roles, duties, and responsibilities 3) Performance of duties and meetings 4) Development of directors and executives, and 5) Performance of the main support department. The Board of Directors and all sub-committees scored above 90% in the assessment.

Summary of the Board of Directors and the sub-committees' performance assessment results are as follows:

<b>Board of Directors/Sub-committees</b>	<b>Performance assessment results (As a whole) (%)</b>	<b>Performance assessment results (Self-assessment) (%)</b>
1. The Board of Directors	98.67	98.00
2. The Audit Committee	99.38	98.02
3. The Corporate Governance and Nomination Committee	97.04	96.23
4. The Remuneration Committee	99.61	99.49

Assessment results of the Board of Directors and the sub-committees on matters with a score of less than 90% will be investigated for the root cause and taken into account when putting together plans for improvement and development.

## Individual Directors' Meeting Attendance and Remuneration Payment

### Board of Directors' Meeting Attendance in 2022

Details of the Board of Directors' meeting attendance for the fiscal year ended December 31, 2022 are as follows:

Directors	Meetings (number of meetings attended/number of meetings invited)							
	Board of Directors' Meeting				Annual General Meeting Via Electronic Media			
	Jan 1 - Dec 31, 2022				Mar 29, 2022			
Participation Method	Total		In Person	Via Electronic Media	Total		At the Meeting System Control Venue	Via Electronic Media
	No. of Meetings	(%)			No. of Meetings	(%)		
1. Mr. Prasarn Trairatvorakul	9/9	100	5/9	4/9	1/1	100	1/1	0/1
2. Mr. Thammasak Sethaudom	9/9	100	4/9	5/9	1/1	100	1/1	0/1
3. Police Colonel Thumnithi Wanichthanom*	5/5	100	2/5	3/5	0/0*	-	0/0*	0/0*
4. Mrs. Kaisri Nuengsigkopian	9/9	100	5/9	4/9	1/1	100	1/1	0/1
5. Mr. Chalee Chantanayingyong	9/9	100	4/9	5/9	1/1	100	1/1	0/1
6. Mrs. Pongpen Ruengvirayudh	9/9	100	5/9	4/9	1/1	100	1/1	0/1
7. Professor Kitipong Urapetapanapong	9/9	100	5/9	4/9	1/1	100	1/1	0/1
8. Mr. Vanus Taepaisitphongse	9/9	100	5/9	4/9	1/1	100	1/1	0/1
9. Mr. Vibul Tuangsittisombat	9/9	100	5/9	4/9	1/1	100	1/1	0/1
10. Mrs. Suphajee Suthumpun	9/9	100	4/9	5/9	1/1	100	1/1	0/1
11. Mr. Thiraphong Chansiri	8/9	89	2/9	6/9	1/1	100	0/1	1/1
12. Mr. Wichan Jitpukdee	9/9	100	6/9	3/9	1/1	100	1/1	0/1
13. Mr. Cholanat Yanaranop	4/4	100	2/4	2/4	1/1	100	1/1	0/1
<b>Total number of meetings in 2022</b>	<b>9</b>				<b>1</b>			
<b>% meeting attendance of the Board of Directors</b>	<b>99</b>				<b>100*</b>			

Remark : \*Police Colonel Thumnithi Wanichthanom was appointed as a director according to the resolution of the Board of Directors' Meeting No. 236 (4/2022) on May 24, 2022, replacing Mr. Cholanat Yanaranop who attended the 2022 Annual General Meeting.

In addition, Police Colonel Thumnithi Wanichthanom attended all the Board of Directors' meetings after starting his director position.

Charter of the Board of Directors specified that the average attendance rate of the directors at the Board of Directors' meetings (including meetings through electronic media) of each year must be at least 80%, and each director must attend at least 75% of the Board meetings held throughout the year.

### Monetary Remuneration

For the remuneration of the Board of Directors and sub-committees in 2022, the 2022 Annual General Meeting (the 29<sup>th</sup> Meeting) on March 29, 2022, approved the remuneration as proposed by the Board of Directors, which came into effect starting from the date of approval until the shareholders' meeting resolved otherwise. Remuneration details are as follows:

Committee	Position	Regular Remuneration (Baht)		Bonus (Baht)	Attendance Fee (Baht/Person/Meeting)
		Monthly	Annually		
<b>Board of Directors</b>  (one chairman/eleven directors)	Chairman	150,000	-	The Board of Directors would receive a bonus in the amount not exceeding 0.5 percent of the dividend distributed to the Shareholders. The Board of Directors shall consider and determine the allocation and payment	-
	Director	100,000	-		-
<b>Audit Committee</b>  (one chairman/two directors)	Chairman	-	150,000		60,000
	Director	-	100,000		40,000
<b>Corporate Governance and Nomination Committee</b>  (one chairman/two directors)	Chairman	-	120,000		45,000
	Director	-	100,000		30,000
<b>Remuneration Committee</b>  (one chairman/two directors)	Chairman	-	120,000		45,000
	Director	-	100,000		30,000

### Other Remunerations

SCGP does not pay other remuneration or benefits to directors other than those specified above.

The following table represents the monetary remuneration given by SCGP to directors and independent directors for the fiscal year ended December 31, 2022.

**Table of Remuneration for the Board of Directors and Sub-committees in 2022 (January 1 - December 31, 2022)**

Director	Board of Directors (12 members)	Audit Committee (3 members)	Corporate Governance and Nomination Committee (3 members)	Remuneration Committee (3 members)	Bonus Paid to Directors in 2022** (Baht)	Total (Baht)
1. Mr. Prasarn Trairatvorakul*	1,800,000.00	-	-	-	2,293,000.00	4,093,000.00
2. Mr. Thammasak Sethaudom	1,200,000.00	-	-	178,241.76	1,529,000.00	2,907,241.76
3. Police Colonel Thumnithi Wanichthanom	700,000.00	-	-	-	71,000.00	771,000.00
4. Mrs. Kaisri Nuengsigkapian*	1,200,000.00	510,000.00	-	-	1,529,000.00	3,239,000.00
5. Mr. Chalee Chantanayyingyong*	1,200,000.00	340,000.00	-	-	1,529,000.00	3,069,000.00
6. Mrs. Pongpen Ruengvirayudh*	1,200,000.00	340,000.00	-	-	1,529,000.00	3,069,000.00
7. Professor Kitipong Urapeepatanapong*	1,200,000.00	-	390,000.00	-	1,529,000.00	3,119,000.00
8. Mr. Vanus Taepaisitphongse*	1,200,000.00	-	-	390,000.00	1,529,000.00	3,119,000.00
9. Mr. Vibul Tuangsithisombat*	1,200,000.00	-	-	280,000.00	1,529,000.00	3,009,000.00
10. Mrs. Suphajee Suthumpun*	1,200,000.00	-	280,000.00	-	748,452.05	2,228,452.05
11. Mr. Thiraphong Chansiri	1,200,000.00	-	280,000.00	-	751,465.75	2,231,465.75
12. Mr. Wichan Jitpukdee	1,200,000.00	-	-	-	1,529,000.00	2,729,000.00
13. Mr. Cholanat Yanaranop	500,000.00	-	-	101,758.24	1,458,000.00	2,059,758.24
14. Mr. Chumpol NaLamlieng	-	-	-	-	777,534.25	777,534.25
15. Mr. Tanawong Areratchakul	-	-	-	-	777,534.25	777,534.25
<b>Total</b>	<b>15,000,000.00</b>	<b>1,190,000.00</b>	<b>950,000.00</b>	<b>950,000.00</b>	<b>19,108,986.30</b>	<b>37,198,986.30</b>

Remark : \*Independent director

\*\*The directors' bonus paid in 2022 is calculated based on the 2021 annual dividend paid to the shareholders on April 25, 2022, and the 2022 interim dividend paid on August 24, 2022.

- 1) Director No. 1 is the Chairman of the Board.
- 2) Director No. 2 has been a member of the Remuneration Committee since June 1, 2022.
- 3) Director No. 3 has been a director since June 1, 2022.
- 4) Director No. 4 is the Chairman of the Audit Committee.
- 5) Director No. 7 is the Chairman of the Corporate Governance and Nomination Committee.
- 6) Director No. 8 is the Chairman of the Remuneration Committee.
- 7) Director No. 13 served as a director and a member of the Remuneration Committee until May 31, 2022.
- 8) Director No. 14 served as a director until September 15, 2022.
- 9) Director No. 15 served as a director until September 15, 2022.
- 10) The Sustainable Development Committee and the Risk Management Committee did not receive any remuneration.

SCGP does not pay other remuneration or benefits to directors other than those approved by the shareholders' meeting as specified above.

## Remuneration Received by Independent Directors for Being Independent Directors in the Parent Company and/or the Same-Tier Subsidiaries in 2022

Independent directors of SCGP who are independent directors of The Siam Cement Public Company Limited (SCC) and SCG Chemicals Public Company Limited (SCGC), a same-tier subsidiary, received the following remuneration from SCC and/or SCGC as follows:

<b>Directors</b>	<b>Position in SCC/SCGC</b>	<b>Total Remuneration (Baht)</b>
1. Mr. Prasarn Trairatvorakul	Independent Director and Chairman of the Remuneration Committee	5,765,261.94
2. Professor Kitipong Urappepatanapong	Independent Director and Member of the ESG Committee of SCGC	2,860,000.00

## Remuneration Received by Directors for Being Independent Directors in the Subsidiaries in 2022

- None -

Below are the details on the Board of Directors meeting attendance and the remuneration of directors and executives of the five subsidiaries which are the center of SCGP's core business, namely Siam Kraft Industry Company Limited (SKIC), PT Fajar Surya Wisesa Tbk. (Fajar), Thai Containers Group Company Limited (TCG), Phoenix Pulp and Paper Public Company Limited (PPPC), and TC Flexible Packaging Company Limited (TCFP), for the fiscal year ended December 31, 2022.

### (1) Siam Kraft Industry Company Limited (SKIC)

#### (1) Board of Directors

As of December 31, 2022, SKIC's Board of Directors consisted of five directors (No. 1-5). Details of the Board meeting attendance are as follows:

<b>Director</b>	<b>Position</b>	<b>Number of meetings attended/Total number of meetings</b>
		<b>Jan 1 - Dec 31, 2022</b>
1. Mr. Wichan Jitpukdee*	Chairman	6/6
2. Mr. Karan Tejasen*	Director	1/1
3. Mr. Danaidej Ketsuwan*	Director	6/6
4. Mr. Sompob Witworrasakul*	Director	1/1
5. Mr. Wichan Charoenkitsupat*	Director	6/6
6. Mr. Sangchai Wiriyauampaiwong*	Director	4/5
7. Mr. Ekaraj Niroj*	Director	4/5

Remarks : \*Directors appointed by SCGP

1) Director No. 6-7 resigned from SKIC in 2022.

2) Mr. Karan Tejasen was appointed as a director, replacing Mr. Sangchai Wiriyauampaiwong, effective from September 1, 2022.

3) Mr. Sompob Witworrasakul was appointed as a director, replacing Mr. Ekaraj Niroj, effective from September 1, 2022.

### (2) Remuneration

#### (1) Monetary Remuneration

- None -

#### (2) Other Remuneration

- None -

## (2) PT Fajar Surya Wisesa Tbk. (Fajar)

### (1) Board of Commissioners

As of December 31, 2022, Fajar's Board of Commissioners consisted of eight members (No. 1-8). Details of Board meeting attendance are as follows:

<b>Commissioner</b>	<b>Position</b>	<b>Number of meetings attended/Total number of meetings</b>
		<b>Jan 1 - Dec 31, 2022</b>
1. Mr. Wichan Jitpukdee*	Chairman	10/10
2. Mr. Wichan Charoenkitsupat*	Commissioner	1/1
3. Mr. Danaidej Ketsawan*	Commissioner	7/7
4. Mr. Kitti Tangchitmaneesakda*	Commissioner	10/10
5. Ms. Vilia Sulistyo	Commissioner	10/10
6. Mr. Tony Tjandra	*Independent Commissioner	10/10
7. Mr. Lim Chong Thian	*Independent Commissioner	10/10
8. Mr. Sudarmanto Wiryodiatmo	*Independent Commissioner	10/10
9. Mr. Kulachet Dharachandra*	Commissioner	3/3
10. Mr. Winarko Sulistyo	Commissioner	8/8
11. Mr. Sangchai Wiriyauampaiwong*	Commissioner	9/9

Remarks : \*Commissioners appointed by SCGP

- 1) Commissioner No. 9, 10 and 11 resigned from Fajar in 2022.
- 2) Mr. Danaidej Ketsawan was appointed as a commissioner replacing Mr. Kulachet Dharachandra, effective from March 23, 2022.
- 3) Mr. Winarko Sulistyo served as a commissioner until November 8, 2022.
- 4) Mr. Wichan Charoenkitsupat was appointed as a commissioner replacing Mr. Sangchai Wiriyauampaiwong, effective from December 1, 2022.

### (2) Audit Committee

As of December 31, 2022, the Audit Committee of Fajar consists of three members. Details of the meeting attendance are as follows:

<b>รายชื่อ</b>	<b>Number of meetings attended/Total number of meetings</b>
	<b>Jan 1 - Dec 31, 2022</b>
1. Mr. Lim Chong Thian*	9/9
2. Ms. Elizabeth Linandi	9/9
3. Ms. Shiery	9/9
4. Mr. Tony Tjandra	2/2
5. Mr. Sudarmanto Wiryodiatmo	2/2
6. Mr. M. Fadil	0/0

Remarks : \*Chairman of the Audit Committee

- 1) Mr. Lim Chong Thian was appointed as the Chairman of the Audit Committee replacing Mr. Tony Tjandra, effective from March 23, 2022.
- 2) Ms. Elizabeth Linandi was appointed as a member of the Audit Committee replacing Mr. Sudarmanto, effective from March 23, 2022.
- 3) Ms. Shiery was appointed as a member of the Audit Committee replacing Mr. M. Fadil, effective from March 23, 2022.

### (3) Nomination and Remuneration Committee

As of December 31, 2022, the Nomination and Remuneration Committee of Fajar consists of three members. Details of the meeting attendance are as follows:

<b>Member</b>	<b>Number of meetings attended/Total number of meetings</b>
	<b>Jan 1 - Dec 31, 2022</b>
1. Mr. Tony Tjandra*	3/3
2. Ms. Vilia Sulistyo	3/3
3. Mr. Kurniawan	3/3

Remark : \*Chairman of the Nomination and Remuneration Committee

### (4) Remuneration

#### (1) Monetary Remuneration

For the fiscal year ended December 31, 2022, Fajar paid monetary remuneration to five of its commissioners who were not directors or management of SCGP. This amounted to Rupiah 5,035,428,800 (Baht 11,668,541.01).

<b>Member</b>	<b>Monetary Remuneration between Jan 1 and Dec 31, 2022 (Rupiah)</b>			
	<b>Board of Commissioners</b>	<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>	<b>Total</b>
1. Mr. Wichan Jitpukdee*	-	-	-	-
2. Mr. Wichan Charoenkitsupat*	-	-	-	-
3. Mr. Danaidej Ketsuwan*	-	-	-	-
4. Mr. Kitti Tangchitmaneesakda*	-	-	-	-
5. Mr. Winarko Sulistyo	1,273,080,000	-	-	1,273,080,000
6. Ms. Vilia Sulistyo	1,018,464,000	-	-	1,018,464,000
7. Mr. Tony Tjandra	1,415,184,800	-	-	1,415,184,800
8. Mr. Lim Chong Thian	618,000,000	-	-	618,000,000
9. Mr. Sudarmanto Wiryodiatmo	710,700,000	-	-	710,700,000
10. Mr. Sangchai Wiriyauampaiwong*	-	-	-	-
11. Mr. Kulachet Dharachandra*	-	-	-	-

Remark : \*Members who are directors or management of SCGP do not receive remuneration as directors of a subsidiary.

#### (2) Other Remuneration

- None -

### (3) Thai Containers Group Company Limited (TCG)

#### (1) Board of Directors

As of December 31, 2022, TCG's Board of Directors consisted of eight directors (No. 1-8). Details of the Board meeting attendance are as follows:

<b>Director</b>	<b>Position</b>	<b>Number of meetings attended/Total number of meetings</b>
		<b>Jan 1 - Dec 31, 2022</b>
1. Mr. Wichan Jitpukdee*	Chairman	4/4
2. Mr. Hirofumi Hori	Director	3/4
3. Mr. Sompob Witworrasakul*	Director	3/4
4. Mr. Tomohisa Ishimi	Director	3/3
5. Mr. Danaidej Ketsuwan*	Director	4/4
6. Mr. Jak jit Klomsing*	Director	2/2
7. Mr. Karan Tejasen*	Director	4/4
8. Mr. Toshinobu Sada	Director	3/4
9. Mr. Tamotsu Shiya	Director	1/1
10. Mr. Suchai Korprasertsri*	Director	1/2

Remarks : \*Directors appointed by SCGP

1) Director No. 9-10 resigned from TCG in 2022.

2) Mr. Tomohisa Ishimi was appointed as a director replacing Mr. Tamotsu Shiya, effective from April 7, 2022.

3) Mr. Jak jit Klomsing was appointed as a director replacing Mr. Suchai Korprasertsri, effective from September 1, 2022.

#### (2) Remuneration

##### (1) Monetary Remuneration

- None -

##### (2) Other Remuneration

- None -

#### (4) Phoenix Pulp & Paper Public Company Limited (PPPC)

##### (1) Board of Directors

As of December 31, 2022, PPPC's Board of Directors consisted of seven directors (No. 1-7). Details of the Board meeting attendance are as follows:

<b>Director</b>	<b>Position</b>	<b>Number of meetings attended/Total number of meetings</b>
		<b>Jan 1 - Dec 31, 2022</b>
1. Mr. Wichan Jitpukdee*	Chairman	7/7
2. Mr. Suchai Korprasertsri*	Director	1/1
3. Mr. Wichan Charoenkitsupat*	Director	7/7
4. Mr. Masaya Masukawa	Director	6/6
5. Mr. Norio Ozawa	Director	4/7
6. Mr. Som Narongrerknavin*	Director	7/7
7. Mr. Danaidej Ketsuwan*	Director	7/7
8. Mr. Sangchai Wiriyaumpaiwong*	Director	6/6
9. Mr. Yusuke Mano	Director	0/1

Remarks : \*Directors appointed by SCGP

1) Director No. 8-9 resigned from PPPC in 2022.

2) Mr. Suchai Korprasertsri was appointed as a director replacing Mr. Sangchai Wiriyaumpaiwong, effective from September 22, 2022.

3) Mr. Masaya Masukawa was appointed as a director replacing, Mr. Yusuke Mano, effective February 1, 2022.

##### (2) Remuneration

###### (1) Monetary Remuneration

- None -

###### (2) Other Remuneration

- None -

## (5) TC Flexible Packaging Company Limited (TCFP)

### (1) Board of Directors

As of December 31, 2022, TCFP's Board of Directors consisted of eight directors (No. 1-8). Details of the Board meeting attendance are as follows:

Director	Position	Number of meetings attended/Total number of meetings
		Jan 1 - Dec 31, 2022
1. Mr. Wichan Jitpukdee*	Chairman	4/4
2. Mr. Karan Tejasen*	Director	4/4
3. Mr. Hirofumi Hori	Director	3/4
4. Mr. Kenzo Sano	Director	4/4
5. Mr. Jak jit Klomsing*	Director	2/2
6. Mr. Toshinobu Sada	Director	3/4
7. Mr. Danaidej Ketsuwan*	Director	4/4
8. Mr. Sompob Witworrasakul*	Director	4/4
9. Mr. Suchai Korprasertsri*	Director	1/2

Remarks : \*Directors appointed by SCGP

1) Director No. 9 resigned from TCFP in 2022.

2) Mr. Jak jit Klomsing was appointed as a director replacing Mr. Suchai Korprasertsri, effective from September 2, 2022.

### (2) Remuneration

#### (1) Monetary Remuneration

- None -

#### (2) Other Remuneration

- None -

**Table of Director Remuneration Received from Subsidiaries**

No.	Company	Remuneration		
		Number of Directors*	Monetary Remuneration** (Baht)	Other Remuneration (Baht)
1.	SKIC	7	None	None
2.	Fajar	11	11,668,541.01	None
3.	TCG	10	None	None
4.	PPPC	9	None	None
5.	TCFP	9	None	None

Remarks :

\*Including directors/commissioners who resigned/retired during the year.

\*\*In terms of salary and bonus.

## Follow-up on the Oversight of Subsidiaries and Associated Companies

In 2022, the Board of Directors reviewed and approved the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Businesses, which had been previously amended in 2020. The Board determines the framework and mechanisms for governing the policies and operations of important subsidiaries and associated companies. It also necessitates a yearly follow-up of the operations. Details are as mentioned below:

- **Appointment or nomination of persons as directors or executives in subsidiaries and associated companies**

To ensure that subsidiary companies efficiently comply with policy guidelines, goals, vision, medium-term business plans, and strategic plans, SCGP created a policy to appoint persons being the directors or executives in subsidiaries and associated companies proportionately to SCGP's shareholding in each subsidiary or associated company, unless the Board of Directors considers that having a lesser appointment does not affect the power of SCGP in formulating policies and conducting matters that have a significant effect on the financial status and operating results of that subsidiary or associated company. Regardless, there is an appropriate balance of power in that subsidiary or associated company. In addition, the persons to be appointed or nominated as the directors or executives in subsidiaries or associated companies must have qualifications as specified by the Board of Directors.

- **Determination of the scope, authority, roles and responsibilities of directors and executives being SCGP's representatives in subsidiaries or associated companies to control or participate in establishing policies that are important to business operations**

Directors and executives of subsidiaries or associated companies who are appointed or nominated by SCGP have a duty to supervise subsidiaries or associated companies before they enter into any transactions or activities which would have a significant effect on the financial status or performance of subsidiaries or associated companies (as specified in the Delegation of Authority manual or the Articles of Association of the subsidiaries or associated companies). Before subsidiaries, or associated companies organize their own Board or shareholders' meetings to consider and approve proceeding with such matters, they must also be given consent/approval by SCGP's Board of Directors or at the shareholders' meeting (as the case may be).

- **Information Disclosures of Subsidiary Companies**

Subsidiaries must completely and accurately disclose to SCGP information on their financial status and operating results within the time prescribed by SCGP. This includes connected transactions with subsidiaries, the acquisition or disposition of assets or any other significant transactions, business plans, business expansion, large investment projects as approved by SCGP, and investments with other entrepreneurs.

- **Establishing an appropriate and concise internal control system and other governance mechanisms for subsidiaries which operate SCGP's core business**

Examples of internal control systems and governance mechanisms for the subsidiaries operating SCGP's core business are as follows:

### Insider trading of subsidiaries

SCGP prohibits directors, executives, employees, or assignees of subsidiary companies including their spouses and underage children, from using SCGP's or subsidiaries' insider information, either derived from the performance of their duties or in any other way, which may create a material effect on SCGP's securities price, for their own or others' benefit, whether directly or indirectly, and whether or not the effect will be rewarded.

### Regulation of authorization and execution of various transactions

The Board of Directors of subsidiaries has the power to approve the subsidiary companies' matters in accordance with the scope of their duties as prescribed by law, the Articles of Association of the subsidiaries, and resolutions of the subsidiaries' shareholder meetings. SCGP stipulates that transactions or actions of the subsidiaries in the following matters must be approved by SCGP's Board of Directors or at SCGP's shareholders' meeting (as the case may be). These include approvals of the annual budget, dividend payments, auditor appointments (if not affiliated with an auditing firm in the same network as SCGP's auditors), capital increases or reductions resulting in a change in shareholding proportion, amendments to the Articles of Association, making connected transactions, sales or transfers subsidiary's businesses, leasing/lending/guaranteeing/financial assistance, business dissolution, and any other transactions which are not normal business transactions. In these instances, subsidiaries shall adopt the criteria for calculating these transactions as prescribed in the notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand Commission regarding the acquisition or disposal of assets and/or connected transactions (as the case may be), and the application of mutatis mutandis.

## Guidelines for Overseeing Conflicts of Interest of Directors, Executives, and Major Shareholders

The Board of Directors has established a policy for entering into connected transactions and policies for preventing conflicts of interest to ensure that SCGP can manage any cases of this among directors, executives, and major shareholders of SCGP and its subsidiaries. These policies are in accordance with the Securities and Exchange Act, B.E. 2535 (as amended), the notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 on rules on connected transactions, and the notification of the Stock Exchange of Thailand (Bor Jor/ Por 22-01) on disclosures of information and operations of listed companies for connected transactions, B.E. 2546. They also strictly follow laws, regulations, announcements, and related orders. Directors, executives, or related persons of subsidiaries can only enter into transactions with subsidiaries with the permission of either the subsidiary's and/or SCGP's Board of Directors, and/or through the subsidiary's and/or SCGP's shareholders' meetings, as the case may be. Permission requirements are determined on a case-by-case basis according to the calculated transaction size, determined using the criteria for calculating transactions as prescribed in the notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand Commission regarding connected transactions and/or other applicable amended notifications, and the application of mutatis mutandis.

Unless it is a trade agreement, transactions will follow the same processes as transactions between persons of ordinary prudence and general counterparties that are in the same situation. There is no trade bargaining power from being a director, executive or related person to directors or executives (as the case may be). Trade agreements must be approved by the Board or in accordance with principles that have already been approved by the Board.

In addition, SCGP has established other important guidelines, such as:

1. Directors and management of subsidiaries must avoid transactions that may cause a significant conflict of interest with the subsidiaries. In the event of such transactions, the subsidiaries' Board of Directors must be informed. The subsidiaries' Board must report such matters to SCGP's Board for consideration and approval.

2. Directors of subsidiaries must not participate in approving matters that present a direct or indirect conflict of interest with themselves.
3. The following actions could result in directors or related persons of subsidiary companies receiving extra financial benefits, or they may cause damage to SCGP or its subsidiaries. It is therefore assumed that the following actions materially conflict with the interests of the subsidiaries:
  - (1) Transactions between subsidiaries and directors or related persons that are not in accordance with the rules for entering into connected transactions.
  - (2) Use of information from SCGP or its subsidiaries unless it is information that has been disclosed to the public.
  - (3) Use of property or business opportunities of SCGP or its subsidiaries that violate the rules or general practices as specified by the Capital Market Supervisory Board.

## Qualifications of Directors, Executives, and Controlling Persons

In the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Business, the Board of Directors established the qualifications of individuals who can be appointed or nominated as directors or executives in subsidiaries and associated companies. The Chief Executive Officer appoints and transfers individuals to represent SCGP as directors or executives of subsidiaries and associated companies based on these qualifications. They must:

- (1) have all necessary qualifications and do not exhibit any prohibited characteristics as prescribed by the law or the relevant requirements;
- (2) have knowledge, capabilities, and experience that are beneficial to the business's operations and suitable for the performance of duties and responsibilities;
- (3) have leadership skills and be able to give broad recommendations that will drive the subsidiary or associated company to achieve their objectives;
- (4) have the ability to make reasonable decisions in accordance with SCG Packaging's Corporate Governance practices and the Code of Conduct.

## **Agreements between the Company and Other Shareholders Regarding the Management of Subsidiaries and Associated Companies that are Significant to the Company's Group Operations and Management:**

### **PT. Fajar Surya Wisesa Tbk. (Fajar)**

<b>Deed of Undertaking on Fajar</b>	
<b>Parties</b>	SCGP and PT Intercipta Sempana (PTICS)
<b>Shareholding proportion as of December 31, 2022</b>	SCGP holds 55.24% of total shares. PTICS holds 44.48% of total shares.
<b>Powers and duties of the Board of Directors and Board of Commissioners</b>	<p><b>Board of Directors</b></p> <p>(1) The Board of Directors consists of not more than six directors, three of which are nominated by SCGP and two are nominated by PTICS. One director must be qualified as an independent director.</p> <p>(2) The quorum of the Board's meeting consists of more than half of all directors, provided that at least one director nominated by PTICS must attend the meeting to form a quorum.</p> <p>(3) The Chairman of the Board of Directors must be appointed from one of the directors nominated by SCGP.</p> <p>(4) Any matter or action must be approved by a majority vote of the Board.</p> <p><b>Board of Commissioners</b></p> <p>(1) The Board of Commissioners consists of not more than eight commissioners, three of which are nominated by SCGP and another two are nominated by PTICS. Three commissioners must be qualified as independent commissioners.</p> <p>(2) The quorum of the Board of Commissioners' meeting consists of more than half of all commissioners, provided that one Commissioner nominated by PTICS must attend the meeting to form a quorum.</p> <p>(3) The Chairman of the Board of Commissioners must be appointed from one of the commissioners nominated by SCGP.</p> <p>(4) Unless otherwise specified in the important administrative requirements, any matter or action must be approved by a majority vote of the Board of Commissioners.</p>
<b>Important administrative requirements</b>	The following matters require approval by a majority of the Board of Commissioners, provided that such majority includes at least one commissioner nominated by PTICS: <ul style="list-style-type: none"> <li>• Amendments to incorporate documents</li> <li>• Changes in the dividend policy</li> <li>• Acquisitions</li> <li>• Mergers or acquisitions by any group of companies</li> <li>• Incorporation of debt or funding totaling more than \$50 million USD</li> <li>• Entering into, amending, altering, or terminating a major agreement of any group of companies with a value exceeding USD 10 million.</li> </ul>
<b>Dividend payments</b>	<p>If the actual investment costs of Fajar's relevant accounting period are less than USD 20 million, Fajar will pay dividends of at least 50% of the net profit.</p> <p>If the actual investment costs for Fajar's relevant accounting period are greater than USD 20 million but less than USD 100 million, Fajar will pay dividends between 30-50% of net profit.</p> <p>If the actual investment costs for Fajar's relevant accounting period are more than USD 100 million, Fajar will pay dividends of at least 30% of the net profit.</p>

## Thai Containers Group Company Limited (TCG)

<b>Agreement between shareholders of TCG</b>	
<b>Parties</b>	SCGP and Rengo Co., Ltd. (RENGO)
<b>Shareholding proportion as of December 31, 2022</b>	SCGP holds 70.00% of total shares. RENGO holds 30.00% of the total shares.
<b>Powers and duties of the Board of Directors</b>	<p>(1) The Board of Directors consists of ten directors, seven of which are nominated by SCGP and another three are nominated by Rengo.</p> <p>(2) The Chairman of the Board and the Managing Director of TCG must be appointed from the directors nominated by SCGP.</p> <p>(3) The quorum of the Board's meeting consists of at least six directors, provided that one director appointed by Rengo must attend the meeting to form a quorum.</p> <p>(4) Unless otherwise specified in the important administrative requirements, any matter or action must be approved by a majority vote of the Board.</p>
<b>Important administrative requirements</b>	<p>The following matters require approval by a majority vote of the directors attending the Board meeting, provided that such majority includes at least one director nominated by Rengo:</p> <p>(1) Significant changes in the nature of TCG's business, including but not limited to (a) the creation, moving, dissolution, or divestment of a subsidiary, and (b) a merger, acquisition, or any other form of amalgamation with other companies.</p> <p>(2) Investing in any other company or juristic person, or acting on behalf of TCG as a shareholder or partner in another company or juristic person, such as in a joint venture.</p> <p>(3) Lending money or providing insurance for the benefit of other companies or juristic persons except SCGP or a subsidiary of TCG.</p> <p>(4) Issuance of new shares or capital reduction of TCG.</p> <p>(5) Any dividend payment from TCG.</p> <p>(6) Entering into any contract or agreement that is material to TCG.</p>
<b>Shareholders' meeting</b>	<p>(1) The quorum of the ordinary general shareholders' meeting consists of shareholders who attend in person or by proxy and account for more than 50% of the total number of TCG paid-up shares.</p> <p>(2) The following matters require special resolutions at the ordinary general meeting or the extraordinary general meeting of shareholders:</p> <ul style="list-style-type: none"> <li>(2.1) Amending, cancelling or certifying the Memorandum of Association and the Articles of Association of TCG</li> <li>(2.2) Increasing capital and issuing new shares</li> <li>(2.3) Reducing capital</li> <li>(2.4) Issuing debentures</li> <li>(2.5) Mergers and acquisitions</li> <li>(2.6) Liquidating TCG</li> </ul> <p>(3) The following matters must be approved at the ordinary general meeting of shareholders by a majority of more than 70% of total votes:</p> <ul style="list-style-type: none"> <li>(3.1) Appointment or discharge of directors and auditors</li> <li>(3.2) Directors' and auditors' remuneration</li> <li>(3.3) Profit dividends or stock dividends</li> <li>(3.4) Acquisition of all or substantial portion of the business of any other person or juristic person</li> <li>(3.5) Transfer of TCG's core business and of all or a substantial portion of TCG's assets</li> </ul>
<b>Dividend payments</b>	The parties must comply with the requirements under the Civil and Commercial Code of Thailand. TCG must also declare all profits after taxes as dividends each year unless the parties agree otherwise. However, if TCG affiliates have losses, dividends must be agreed upon by both parties.

**Phoenix Pulp & Paper Public Company Limited (PPPC)**

<b>PPPC Joint Venture Agreement</b>	
<b>Parties</b>	SCGP and Nippon Paper Industries Co., Ltd. (NPI)
<b>Shareholding proportion as of December 31, 2022</b>	SCGP holds 69.58% of total shares. NPI holds 30.00% of total shares.
<b>Powers and duties of the Board of Directors</b>	<p>(1) PPPC's Board of Directors consists of seven directors, five of which are nominated by SCGP and another two are nominated by NPI.</p> <p>(2) The quorum of the Board's meeting consists of more than half of total directors.</p> <p>(3) The Chairman of the Board must be appointed from the directors nominated by SCGP and serve as the chairman at the shareholders' and Board's meetings. The Vice-Chairman may be appointed from the directors nominated by NPI.</p> <p>(4) The Managing Director of PPPC must be appointed from one of the directors nominated by SCGP.</p> <p>(5) Matters must be approved by a majority vote of the Board.</p>
<b>Important administrative requirements</b>	<p>The following matters require approval by a majority vote of the directors at the Board meeting, provided that such majority includes at least one director nominated by NPI:</p> <p>(1) Approval of a business plan that is longer than 12 months.</p> <p>(2) Proposals to the shareholders' meeting to approve dividend payments and the announcement of the interim dividend.</p> <p>(3) Listing PPPC on the Stock Exchange of Thailand.</p> <p>(4) Transactions worth more than Baht 30 million between PPPC and its shareholders or directors.</p> <p>(5) Acquiring shares in other companies or disposing of a shareholding in a subsidiary.</p> <p>(6) Entering into guarantees for claims worth more than Baht 50 million.</p>
<b>Shareholders' meeting</b>	<p>(1) The shareholders' meeting must consist of at least 25 shareholder attendees, or not less than half of the total number of shareholders, with a total number of shares in proportion to not less than 50% of the total shares issued by PPPC.</p> <p>(2) Any matter must be approved by the affirmative votes of more than 50% of the total number of shares of the shareholders attending the meeting and eligible to vote.</p> <p>(3) The following matters must be approved at the shareholders' meeting by affirmative votes of not less than 75% of the total number of shares of the shareholders attending the meeting and eligible to vote:</p> <ul style="list-style-type: none"> <li>■ Amendment of the Memorandum of Association and Articles of Association.</li> <li>■ Capital increase and capital reduction.</li> <li>■ Mergers</li> <li>■ Stock Dividend</li> <li>■ Acquisition of the business of another person or juristic person.</li> <li>■ Transfer of the PPPC business or transfer of PPPC's substantial assets.</li> </ul> <p>(4) The following matters must be approved at the shareholders' meeting by affirmative votes of not less than 71% of the total number of shares of the shareholders attending the meeting and eligible to vote:</p> <ul style="list-style-type: none"> <li>■ Directors' remuneration.</li> <li>■ Auditor appointment and compensation.</li> <li>■ Investing in another company or other business entity.</li> </ul>
<b>Dividend payments</b>	Dividend payments must be made in accordance with the resolution of the shareholders' or Board of Directors' meeting, as the case may be. However, PPPC will pay dividends at an agreed-upon percentage of the net profit, depending on the performance of PPPC and its subsidiaries, including the provision of reserves as required by law.

## TC Flexible Packaging Company Limited (TCFP)

<b>Agreement between shareholders of TCFP</b>	
<b>Parties</b>	TCG and RENGO
<b>Shareholding proportion as of December 31, 2022</b>	TCG holds 75.0% of total shares. RENGO holds 20.00% of the total shares. HOWA holds 5.00% of total shares.
<b>Powers and duties of the Board of Directors</b>	(1) The Board of Directors consists of eight directors, five of which are nominated by TCG and another three are nominated by RENGO. (2) The Chairman of the Board and the Managing Director must be appointed from the directors nominated by TCG. (3) The quorum of the Board's meeting consists of at least five directors, of which one director nominated by RENGO must attend the meeting to form a quorum. (4) Unless otherwise specified in the important administrative requirements, any matter or action must be approved by a majority vote of the Board.
<b>Important administrative requirements</b>	The following matters require approval by a majority vote of the directors attending the Board's meeting in person, provided that such majority includes at least one director nominated by RENGO: (1) Significant changes in the nature of TCFP's business operations, including but not limited to (a) the creation, moving, dissolution, or sale of subsidiary companies; (b) mergers and acquisitions or any other form of amalgamation with other companies; and (c) any business start-up other than TCFP's current business. (2) TCFP's investment in any company or juristic person as a shareholder or partner in another company or juristic person, such as a joint venture. (3) Lending or providing a guarantee for the benefit of another company or any juristic or natural person. (4) Issuance of new shares or capital reduction of TCFP. (5) Any dividend payment from TCFP. (6) Entering into any contract or agreement that is material to the TCFP. (7) Acquisition of all business or all significant parts of the business of other persons.
<b>Shareholders' meeting</b>	(1) An ordinary general shareholders' meeting must have shareholders attending in person or by proxy and include more than 50% of the total paid-up shares of TCFP, and RENGO must attend the meeting to form a quorum. (2) A resolution will be considered a special resolution when it is passed by a majority of more than three-fourths of the total number of shares of the shareholders who attend the meeting and are eligible to vote. (3) The following matters must be decided at an ordinary or extraordinary general meeting of shareholders by a special resolution: (3.1) Amending, cancelling or certifying the Memorandum of Association and the Articles of Association of TCFP (3.2) Increasing capital and issuing new shares (3.3) Reducing capital (3.4) Issuing debentures (3.5) Mergers and acquisitions (3.6) Liquidating TCFP (3.7) Election or discharge of directors and auditors (3.8) Directors' and auditors' remuneration (3.9) Profit dividends or stock dividends; and (3.10) Transfer of TCFP's core business and any transfers or commitments for contingent liabilities on a substantial portion of assets or all assets of TCFP.
<b>Dividend payments</b>	The counterparty must comply with the requirements under the Civil and Commercial Code of Thailand. A portion of the income must be reserved for TCFP expansion and/or investment in accordance with TCFP policy, and TCFP must pay dividends equal to 50% of its net profit after tax.

## Monitoring to Ensure Compliance with Corporate Governance Policies and Practices

SCGP strictly monitors its adherence to SCG Packaging's Corporate Governance Handbook, especially with regards to amendment and agenda approved by the Board of Directors in 2022. The management is assigned to announce the information to all employees and provide training and education to raise awareness regarding correct and appropriate conduct.

In addition, SCGP has performed a follow-up on the following four aspects of good corporate governance:

### (1) Prevention Conflict of Interest

Apart from the explicit shareholding structure, there is no cross-shareholding with major shareholders and no pyramidal shareholding structure in the group of SCGP, to ensure that no conflict of interest is created between parties. The shareholding structure of SCGP and its subsidiaries is disclosed in the annual report. SCGP has monitored the implementation of the Prevention of Conflicts of Interest Policy to ensure that it is practiced to maximize SCGP's interests. Details are as follows:

- 1) Directors and executives shall immediately notify the Company Secretary if they find that there is a potential conflict of interest in any relationships or transactions with SCGP and its subsidiaries. Then, the Company Secretary shall submit the conflict of interest report to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days from the date of receiving the notification.
- 2) The Internal Audit Office shall be able to access the related data and information in order to review connected transactions and trade agreements with general trading conditions between SCGP or its subsidiaries and the directors, executives, or related persons, and regularly report the matters to the Audit Committee on a quarterly basis.

In 2022, there were no conflict of interest transactions found in the monitoring results.

### (2) Preventing the Misuse of Internal Information

#### Use of insider information

SCGP monitors the use of insider information, or material information that has not yet been disclosed to the public, and this can lead to changes in the price or value of SCGP securities. The Board of Directors has established

the Insider Information Management and IT Governance Policy so that all directors, executives, and employees can perform their duties and communicate correctly. The sharing of insider information must be within the limits of assigned duties and responsibilities. Public disclosure of insider information, including any communications related to insider information, must only be approved by the Chief Executive Officer, the Chief Financial Officer, or those who have been assigned. In 2022, there was no incident that contradicted these policies.

#### Measures to prohibit trading in securities

The Board of Directors has established measures to prohibit securities trading (Blackout Period). In addition, directors, executives (including those holding executive positions in accounting or finance as department managers or equivalent level), and employees in departments related to insider information, including spouses, cohabiting couples, or underage children of persons who have received insider information, must not trade in or enter into future or forward contracts for the securities of SCGP, the listed companies which are subsidiaries or associated companies of SCGP, or other listed companies related to insider information for one month before the disclosure of quarterly and annual financial statements, and within 24 hours after the public disclosure of the financial statements.

In addition, directors, executives (including those holding executive positions in accounting or finance as department managers or equivalent level), and employees in departments related to insider information, including spouses, cohabiting couples, or underage children of persons who have received insider information of SCGP, the listed companies that are subsidiaries or associated companies of SCGP, or other listed companies related to insider information, must not trade in the securities of said companies for 24 hours after the insider information has been publicly disclosed in full.

The Company Secretary will give prior notification to SCGP's directors, executives, and management of the Blackout Period for insider information so as to ensure that the information is not used for personal benefits. In 2022, no directors or executives traded in SCGP securities during the Blackout Period.

#### Reporting on holdings and changes in securities and derivatives holdings

Under the Insider Information Management and IT Governance Policy, SCGP must inform the Board of Directors and executives, including those holding managerial positions



in accounting or finance (and are department managers or equivalent), of their duties regarding the preparation, disclosure, and submission of reports of their holdings and changes in their securities holdings and derivatives holdings – including holdings of their spouse, cohabitant, underage children, and the juristic persons in which they, with their spouse, cohabitant, and underage children, collectively hold the shares exceeding 30% of the total number of shares with voting rights (and such proportion is considered as majority shareholding). These reports are submitted to the Securities and Exchange Commission (SEC) in accordance with the provisions of the Securities and Exchange Act, the notifications of the Securities and Exchange Commission, relevant notifications of the Capital Market Supervisory Board, and relevant penalties under the law. The reports on holdings and changes in securities and derivatives holdings must be submitted to the Company Secretary before submission to the SEC Office. The Company Secretary must compile and report holdings at the Board of Directors' meeting for the Board's awareness and acknowledgment. Securities holdings and changes are one of the agenda topics at the Board of Directors meetings.

The public disclosure of essential information shall be done in accordance with the Disclosure Policy, which clearly determines the persons entitled to disclose information and their duties. Such persons are allowed to disclose information only in line with the authority set forth by SCGP.

### (3) Human Rights

SCGP has established the Human Rights Policy, Diversity and Inclusion Policy, and other international regulations. By the ESG Committee, the policies have been put into practice. Risks to human rights, both in SCGP's own operations and the supply chain, were assessed for the establishment of the Human Rights Risk Management Plan. The plan is focused to implement effective, preventive actions against human rights violations, for example, the fair, transparent, and competency-based recruitment and selection policy is set to ensure equality in the recruitment processes, regardless of religious belief, age, ethnic, race, sex, and education. Enforced through a committee system, the policy serves as guidelines for practices, both domestic and overseas. The Internal Audit Office monitored the compliance of Human Rights Policy during the annual audit and provided a whistleblowing channel for employees and internal personnel. In 2022, according to the audit and whistleblowing reports, there were no human rights violations.

### (4) Use of Information Technology

SCGP places importance on the efficient and safe use of information technology. The Company has established the e-Policy, stating the use of information technology as approved by the Chief Executive Officer, IT director, or other authorized persons, and the preventive measures for computer and information security. Also, the

Cyber Security Governance Committee was appointed to oversee the IT security of SCGP and ensure its compliance with SCGP's business approach, cyber threat prevention, and efficient operations.

The Internal Audit Office audited the sufficiency of internal control systems over information security annually and reported results to the Audit Committee. In 2022, there were no significant violations.

## **(5) Anti-corruption**

In 2022, as agreed by the Corporate Governance and Nomination Committee, the Board of Directors reviewed and approved the amendment to the Anti-corruption Policy to be in line with the business operations. The Company disclosed the Anti-corruption Policies details on SCGP's website ([www.SCGPackaging.com](http://www.SCGPackaging.com)) under the Corporate Governance section.

SCGP was granted a Certified Company by the Thai Private Sector Collective Action Against Corruption (CAC) on March 31, 2022, after declaring its intention on December 1, 2020. The important conducts in 2022 are as follows:

1. Reviewed and revised the Anti-corruption Policy to be in line with current operations.
2. Reviewed and revised SCG Packaging's Code of Conduct to be in line with current practices and the overseas business expansion. The actions performed include adding examples of practices, setting up a training plan, communicating the revised Code of Conduct to employees, and translating the Code of Conduct into Indonesian. Also, the whistleblowing system, which had previously been available only in English, has been updated with Indonesian and Vietnamese language patches.
3. To set the tone at the top, the Chief Executive Officer communicated, via the "Message from CEO", to all employees to strictly adhere to SCG Packaging's Code of Conduct and Anti-corruption Policy. The Management was tasked with raising awareness on the matter, promoting trustworthy operations, and becoming a role model for all employees. In addition, as the first line of defense, the Management must assess risks, establish appropriate measures, promote, communicate, and follow the Anti-corruption Policy, and raise awareness among employees regarding actions that are susceptible to corruption and the potential damage they might

cause. The Management must regularly analyze indications and assess corruption risks, create a preventative system including risk mitigation and control, assign responsible persons, define follow-up measures, review and assess risk management, so that employees can use the guidelines to prevent corruption. The Internal Audit Office shall assess and conduct a follow-up on good corporate governance and compliance with the Code of Conduct and the Anti-corruption Policy when auditing.

4. The Board of Directors reviewed and approved SCG Packaging's Code of Conduct, Anti-corruption Policy, and other related regulations. The information in such codes, policies, and regulations was disclosed and communicated to all directors, executives, and employees (100% of SCGP's personnel) through various channels, such as SCGP's website, in order to raise awareness and encourage implementation and monitor strict compliance.
5. Equipped executives and employees with knowledge about anti-corruption via various methods as follows:
  - 1) Held ethics and the Anti-corruption Policy training through various courses, for example, orientation, Business Concept Development course, etc. in order to set the organizational culture;
  - 2) Made SCG Packaging's Code of Conduct, Anti-corruption Policy, and other related policies and contents available online for easy access and learning by the personnel. Before taking the test on knowledge about SCG Packaging's Code of Conduct and Anti-corruption Policy via the Ethics e-Testing, all personnel shall confirm their understanding and acknowledgment. The test is divided into three levels according to duties and responsibilities of the employees. Test review and revision are required to be done on a yearly basis and have been done for 8<sup>th</sup> consecutive year. All the employees, totaling 6,189 people, passed the test.
  - 3) The Internal Audit Office held seminars and workshops for high-risk departments to raise awareness of the First Line in assessing risks and establishing preventive and control measures. The Office also regularly audited the anti-corruption matters during the audit activities and made videos to communicate and promote understanding among departments and employees in SCGP.

6. Disseminated anti-corruption guidelines to suppliers and cooperated in applying good citizenship principles and concepts, and good governance in the business for substantial benefits to communities, society, and the environment beyond legal and regulatory requirements. The Supplier Code of Conduct has been revised to follow the current policies and operations related to the Personal Data Protection Act (PDPA), human rights, complaints, and whistleblowing.
7. Provided a whistleblowing system to receive reports regarding violations of laws, regulations, Articles of Association, and Code of Conduct. SCGP has clearly defined procedures for investigation, follow-up, control, and corrective processes

In 2022, there were no violations of the Anti-corruption Policy.

## (6) Whistleblowing

SCGP has established a mechanism to receive complaints and for whistleblowing with regards to SCGP's personnel not complying with the law, rules, regulations, or Code of Conduct, or for behavior that may imply corruption. The mechanism includes confidentiality and appropriate protection measures for complaint owners in accordance with the Whistleblowing Policy, of which appropriateness is regularly reviewed. SCGP provides multiple channels for filing complaints at any time, for example, websites in various languages (Thai, English, Indonesian, and Vietnamese) or reporting in verbal and written forms (by emails or letters). SCGP will also keep the information confidential and provide protection to the whistleblower following the Whistleblowing Policy.

In 2022, there were cases involving non-compliance with laws, SCGP's regulations, the Anti-corruption Policy, the Corporate Governance Policy, SCGP's Four Core Values, the Code of the Conduct or Supplier Code of Conduct as stated below:

<b>Report of Violations</b>	<b>Number of Complaints (Subject)</b>
Total number of Complaints	6
Number of Investigated Complaints	5
<b>Category of Investigated Complaints</b>	
1. Unethical or Corruption-Related Practice	
1.1 Conflict of Interest	-
1.2 Corruption	-
1.3 Violation of Human Rights	-
1.4 Antitrust	-
1.5 Use of Insider Information	-
1.6 Others	-
2. Non-Compliance with SCGP's Regulations	1
3. Not Comply with the Complaints	4

The aforementioned cases caused no material damage to SCGP's financial report. Findings from the investigations were considered in determining future procedures and preventive guidelines. In addition, the Audit Committee reviewed all related practices, measures, and guidelines for the prevention of possible corruption in various

systems, risk assessment, and suitability for ongoing business conditions.

There were no complaints on violations of Anti-corruption policy, Antitrust Policy, Human Rights, Conflicts of Interest, or Insider Information.

## Report on the Audit Committee's Performance in the Past Year

### Meetings Attendance of Individual Audit Committee Members

#### Audit Committee meetings

Directors	Number of meetings attended/Total number of meetings
	Jan 1 - Dec 31, 2022
1. Mrs. Kaisri Nuengsigkapien	6/6
2. Mr. Chalee Chantanayyingyon	6/6
3. Mrs. Pongpen Ruengvirayudh	6/6
<b>Total number of meetings in 2022</b>	<b>6</b>
<b>% meeting attendance</b>	<b>100</b>

Performance of the Audit Committee in 2022 is revealed in the Audit Committee's Report on pages 10 - 12.

## Performance of Other Sub-committees

#### Corporate Governance and Nomination Committee

In 2022, the meetings and attendance rates of the Corporate Governance and Nomination Committee were as follows:

Directors	Number of meetings attended/Total number of meetings
	Jan 1 - Dec 31, 2022
1. Professor Kitipong Urapaepatanapong	6/6
2. Mrs. Suphajee Suthumpun	6/6
3. Mr. ThiraphongChansiri	6/6
<b>Total number of meetings in 2022</b>	<b>6</b>
<b>% meeting attendance</b>	<b>100</b>

Performance of the Corporate Governance and Nomination Committee in 2022 is revealed in the Corporate Governance and Nomination Committee's Report on pages 13 - 14.

#### Remuneration Committee

In 2022, the meetings and attendance rates of the Remuneration Committee were as follows:

Directors	Number of meetings attended/Total number of meetings
	Jan 1 - Dec 31, 2022
1. Mr. Vanus Taepaisitphongse	6/6
2. Mr. Vibul Tuangsittisombat	6/6
3. Mr. Thammasak Sethaudom*	4/4
4. Mr. Cholanat Yanaranop**	2/2
<b>Total number of meetings in 2022</b>	<b>6</b>
<b>% meeting attendance</b>	<b>100</b>

Remarks : \*Appointed as a member of the Remuneration Committee, replacing Mr. Cholanat Yanaranop, effective from June 1, 2022.

\*\*Served as a member of the Remuneration Committee until May 31, 2022.

Performance of the Remuneration Committee in 2022 is revealed in the Remuneration Committee's Report on page 15.

**ESG Committee**

In 2022, meetings and attendance rates of the ESG Committee are as follows:

<b>Members (Positions in SCGP)</b>	<b>Number of meetings attended/Total number of meetings</b>
	<b>Jan 1 - Dec 31, 2022</b>
1. Chief Executive Officer (Director)	4/4
2. Technology and Digital Platform Director	2/4
3. Corporate Human Resources Director	3/4
4. Innovation and Product Development Director	4/4
5. Chief Financial Officer and in Charge of Packaging Materials Recycling Business	4/4
6. Business Planning Director	3/4
7. Director – Recycling Business	3/4
8. Manager – Sourcing Management Office	4/4
9. Engineering Director	3/4
10. Safety and Productivity Management Manager	4/4
11. Manager – Compliance Management and BCM	4/4
12. Manager – Brand Management	4/4
13. Chief Operating Officer, Fibrous Business	4/4
14. Global Foodservice Packaging Head	4/4
15. Director – PPPC Mill	4/4
16. Director – TPC Mill	3/4
17. Managing Director, SFT	4/4
18. Chief Operating Officer, Packaging Paper Business	2/4
19. Director – Banpong Mill	3/4
20. Director – Wangsala Mill	3/4
21. Managing Director, Thai Cane Paper	3/4
22. Director – Energy Division	4/4
23. Enterprise Marketing Director	4/4
24. Manager (President & CEO, UPPC)	2/4
25. General Director, VKPC	4/4
26. President Director, Fajar	3/4
27. Chief Operating Officer, Fiber Packaging Business	4/4
28. Manufacturing Director TCSP	4/4
29. Director of CIP Regional Operation	4/4
30. Chief Operating Officer, Consumer and Performance Packaging Business	4/4
31. ESG and Sustainability Director	4/4
32. ESG Associate Director	4/4
<b>Total number of meetings in 2022</b>	<b>4</b>
<b>% meeting attendance</b>	<b>89</b>

Performance of the ESG Committee in 2022 is revealed in the ESG Committee's Report on page 16.

## Risk Management Committee

In 2022, meetings and attendance rates of the Risk Management Committee are as follows:

<b>Members (Positions in SCGP)</b>	<b>Number of meetings attended/Total number of meetings</b>
	<b>Jan 1 - Dec 31, 2022</b>
1. Chief Executive Officer (Director)	4/4
2. Chief Financial Officer and in Charge of Packaging Materials Recycling Business	4/4
3. Chief Operating Officer, Consumer and Performance Packaging Business	4/4
4. Chief Operating Officer, Fiber Packaging Business	4/4
5. Chief Operating Officer, Packaging Paper Business	4/4
6. Chief Operating Officer, Fibrous Business	4/4
7. Chief Regional Officer	4/4
8. Technology and Digital Platform Director	4/4
9. Safety and Productivity Management Director	4/4
10. Internal Audit Director	4/4
11. Business Planning Director	4/4
12. Manager – Planning & Risk Management	4/4
<b>Total number of meetings in 2022</b>	<b>4</b>
<b>% meeting attendance</b>	<b>100</b>

Performance of the Risk Management Committee in 2022 is revealed in the Risk Management Committee's Report on page 17 and the Risk Management section of this report on page 72 - 85.



# **Internal Control and Related Transactions**



# Internal Control

## The Board of Directors' Report on the Company's Internal Control System

The Board of Directors' meeting no. 240 (8/2022) was held on November 29, 2022 and was attended by all 3 members of the Audit Committee. The Board of Directors assessed the internal control systems of SCG Packaging's (SCGP) and its subsidiaries according to the Securities and Exchange Commission's (SEC) internal control sufficiency evaluation form, which was based on the 5 components of the COSO 2013 internal control framework (The Committee of Sponsoring Organizations of the Treadway Commission): Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. These have all been reviewed by the Audit Committee. The Board of Directors agreed that the internal control system of SCGP and its subsidiaries was adequate, appropriate and did not have any significant deficiencies. SCGP and its subsidiaries have provided a sufficient number of personnel to effectively comply with laws, regulations, policies, ethics, and guidelines. In addition, there is a system for controlling and supervising the operations of the Company and its subsidiaries so that assets can be protected from improper or unauthorized use by directors or executives. This includes transactions with persons who present a conflict of interest and connected persons.

The Board of Directors encouraged the executives, supervisors and employees to be aware of, and focus on, good corporate governance, risk management, operational supervision and internal controls. This is done by referring to international standards in operations and applying the appropriate information technology system to operate in accordance with the good internal control system with efficiency and effectiveness.

In 2022, the executives, as the supervisory successor of the Board of Directors, promoted the development of tools to respond to evolving risks to create a preventive operational system to do business, both domestically and internationally. The rationales have been approved and necessary support has been provided to present a better internal control system from the previous year. Details are as follows:

### 1. Proactive and Preventive System

The Company expanded its businesses domestically and globally. The key factor enabling SCGP to achieve its goals and be sustainable is its employees, who perform their duties with integrity and ethics following the Code of Conduct. To promote morality and ethics, SCGP has set up a Proactive and Preventive System which consists of the following:

#### 1.1 SCGP's Code of Conduct

- Reviewing and updating SCGP's Code of Conduct for clarity, coverage and compliance with relevant policies, national and international good corporate governance and current business operations. More examples of applications of the Code of Conduct have been added. Preparing the Code of Conduct manual in Indonesian in addition to the Thai and English editions, and disseminating and communicating it to ensure full understanding among all directors, executives and employees through channels such as the Company's website. The manual was used as a guideline to promote the practice and follow the Code of Conduct to ensure strict compliance. Preparing learning plans and communicating them so that employees at all levels understand the guidelines and apply them appropriately in the context of each country.
- Revamping communication methods in line with the hybrid workplace norm. The team in charge has disseminated VDO clips and a quiz on SCGP's Code of Conduct on the Company's LINE official account (only for the new Merger & Partnership (M&P) companies).
- Reviewing and providing online content of SCGP's Code of Conduct, the Anti-corruption Policy and other related policies that everyone must understand and acknowledge. Conducting the Ethics e-Testing to promote awareness and educate employees at all levels for the 8<sup>th</sup> consecutive year. The e-Policy e-Testing was administered for the 6<sup>th</sup> consecutive year. All employees who took the test achieved a 100% passing score. Test answers were also analyzed, then communicated to all employees to ensure they had an accurate understanding of the concepts. The test is also reviewed annually to reflect current risks. The scale of the test has been increased to include high-risk professional groups, such as procurement, government relations, sales and marketing, etc. Apart from the Code of Conduct and the Anti-corruption Policy, the test covered the Personal Data Protection

Act (PDPA), integrated governance, risk management and compliance (Integrated GRC), and sustainable corporate development (ESG).

1.2 Adopting the Three Lines Model, which is an internationally recognized approach that serves as a framework for the performance of all stakeholders, including the Governing Body, Management, employees and the Internal Audit – to apply to company operations. The management team represents the First Line role, which is the most important part in driving the success and efficiency of the Three Lines Model, in terms of risk assessment, control design, monitoring and assessment. There is also a need for coordination and information exchange across both the management team and the Internal Audit Office. Additionally, SCGP fosters awareness through various methods, such as assigning the top First Line person of the Company/unit to communicate with employees, and organizing workshops on the practical application and execution of the approach. The management team closely supervises the First and Second Lines and communicates with the governing body in a two-way manner.

1.3 Organizing training where case studies on fraud and non-compliance with laws, regulations, SCGP's policies, and SCGP's Code of Conduct were discussed. Also, cautions and emerging risks in practice and performance arising from the new normal work environment were communicated through internal and external case studies. Examples were the thoughts on cyber-attacks and online transactions, etc. They were aimed to raise awareness among employees and to prevent similar cases from reoccurring.

1.4 Evaluating the internal control system: this includes the operating system and information technology system for the M&P companies, both domestic and overseas, to review the adequacy of the internal control system and whether or not it is suitable for SCGP's business operations. Recommendations on good practices, and on how to establish a Proactive and Preventive System to reduce risks in business operations were also made.

1.5 Reviewing and revising the Approval Authority Manual of the Company and all subsidiaries. To reinforce working flexibility to meet with fast-growing domestic and overseas operations, while maintaining an appropriate internal control.

## **2. Integrated Governance, Risk Management, and Compliance (Integrated GRC)**

SCGP has conducted and elevated its governance, risk management, and compliance (GRC) practices to meet international standards (Integrated GRC), to enhance efficiency and effectiveness and reducing redundant activities in SCGP's operations. This is being done across activities such as governance, strategy formulation, risk management and results monitoring. In 2022, the inception of data integration helped disclose information critical to operations on the same platform among all business units. This ensured continual activities, contributions to the entire operation, develop an internal control system, and more efficient operations and decision making. Top executives also communicated to employees the importance of adopting Integrated GRC when performing duties to achieve sustainable business growth. In addition, the GRC Helpline was provided on SCGP's Intranet and mobile application for SCGP employees to submit their questions on best practices related to governance, risk management, compliance and internal controls. These questions are then answered by experts.

## **3. Supervision of Operations and Compliance with Relevant Rules**

SCGP has continued to conduct and implement its Compliance Policy & Guidelines, with the Compliance Management System (CMS), which is an important mechanism for efficient and effective compliance monitoring. The system has been designed to ensure that the operating processes for employees in the First Line prevent compliance risks, while the Compliance Unit who is the Second Line performs a supporting role to ensure that the operating processes are concretely implemented by educating employees, fostering awareness, providing consultations, and establishing controls to continuously prevent compliance risks on a regular basis.

Here are the key operations of the Company in 2022:

- Develop a legal information management system, a legal planning and compliance governance, and the Compliance and License Management System using the IT system to accommodate storage, follow up on compliance, and report results to the Compliance Monitor and the ESG Committee, respectively.
- Prepare the manual of import and export laws.

- Compile critical laws and prepare a checklist for overseas companies such as import and export laws, occupational health and safety management, and labor management.
- Develop and improve the system for sending and receiving new/changing laws to support other compliance governance tools.

#### 4. Anti-corruption Practices

At the Board of Directors' meeting No. 239 (7/2022) on October 25, 2022, the Committee approved the Anti-corruption Policy that outlined the definition and related responsibilities, practices, and appropriate operational requirements to prevent corruption in all SCGP's activities. More details on the Anti-corruption Policy can be found on SCGP's website ([www.SCGPackaging.com](http://www.SCGPackaging.com)), under the Corporate Governance heading. The implemented anti-corruption preventive actions are as detailed below.

- In 2022, the Anti-corruption Policy was reviewed to increase clarity and consistency with business management.
- The Company was granted on March 31, 2022 as a Certified Company by the Thai Private Sector Collective Action Against Corruption (CAC).
- The Chief Executive Officer communicated with the executives and all employees, informing them to fully follow the Anti-corruption Policy. This will underline the importance of anti-corruption. The management team as executives (the top First Line) assessed the risks, determined appropriate measures, and drove, communicated and complied with the Anti-corruption Policy.
- The Internal Audit Office held a seminar and workshop for high-risk departments to raise awareness of the First Line in assessing risks, establishing preventative measures, and controlling corruption risks. The Office also made videos to communicate and promote understanding among departments and employees in the Company.
- Use SCGP's Supplier Code of Conduct as a business guideline and act as good citizens in parallel with the integrating of social and environmental commitments into corporate governance beyond legal and regulatory requirements. The Code of Conduct has been revised to follow the current policies and operations related to the PDPA, human rights, and complaints and whistleblowing.

#### 5. Information Technology Governance, Data and Network Security

5.1 SCGP has appointed the IT Governance working team to be a representative of the parent company. It is responsible for establishing policies and regulations on the use of IT and communications technology (e-Policy) in accordance with ISO/IEC 27001. These policies and regulations will ensure uniform IT-related practices among SCGP employees. In 2022, the following new initiatives were undertaken:

- The additional policy/standard: log standard (setting the standard to safely store computer traffic data) to prevent information system risks that may arise from keeping traffic data that is not secure and incomplete.
- Three additional processes/practices: the password standard, the cyber-attack guideline and the application development guideline that requires multi-factor authentication before log-in.
- Carried out a corporate practice drill by simulating a cyber threat attack and a data subject right request.

5.2 Appointed data protection officers and enforced the SCGP Privacy Policy as preparation before the law is legalized. This is to ensure that the Company clearly and appropriately puts in place regulatory measures and personal information management while ensuring that the data subject receives full rights protection by law.

5.3 Prepared documents for auditing internal control/security, for example, the guideline to implement the ERP systems to deploy good internal control and follow the e-Policy, and the personal data protection inspection guideline

5.4 Evaluated the internal control system related to information security based on ISO 27001 for M&P companies to review the adequacy of the internal control system and on whether or not it is suitable for SCGP's business operations. Recommending good practices, and creating proactive and preventive systems to reduce risks in the operations.

5.5 Required all employees to undergo the test on the e-Policy. The score must be 100% to ensure that they are aware of, acknowledge, understand and practice it correctly.

- 5.6 Reviewed and overhauled the efficiency of the audit operation strategies using Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), and data lakes to analyze risks comprehensively and efficiently while cutting unnecessary fieldwork.
- 5.7 Held a seminar on IT Security Awareness and Personal Data Protection to raise awareness on cyber threats and personal data protection.

## **6. Development and Promotion of Data Analytics in Business Governance**

Due to the variety of information systems at SCGP, the Internal Audit Office prepared a report using Data Analytics for audits, and handed it to various departments as a tool to analyze, monitor, correct anomalies and determine timely prevention methods. Examples include the Anti-corruption Monitoring Dashboard, Cyber Risk Analytics Tools, SAP Segregation of Duty Tool, and Product Quality Monitoring Tools. This allows the users to examine outcomes simply, quickly, and more efficiently. They also develop, promote and assist auditors with digital technology education and adopt several approaches to perform data analytics via Learnathon and Data Analytics Hackathon events, hosted for the 4<sup>th</sup> year in a row. These ensure that auditors can propose the projects as guided by the adaptation of Digital Technology to auditing.

## **7. Whistleblowing System**

The Company has reviewed the whistleblowing policy to be consistent, appropriate and enough for the current operation. SCGP has also developed a Whistleblowing System for employees and external stakeholders to report instances of whistleblowing and acts that do not comply with corporate governance, the Code of Conduct, regulations, laws and the Anti-corruption Policy – this includes acts of corruption. Whistleblowing can be done via various channels, both verbally and written. Employees and External stakeholders can report instances of noncompliance in Thai, English, Indonesian, and Vietnamese through the Intranet Web and SCGP's website ([www.SCGPackaging.com](http://www.SCGPackaging.com)) at any time, or through emails, letters and verbal reports. The Company has clearly defined procedures for receiving complaints, such as the confidential collection of facts, the appointment of a fact-inspecting working panel, the setup of an investigation committee, the consideration for approving a penalty, and the complaint resolution report. Moreover, complaint owners can follow up on results through the system. Facts from the investigation have been used to devise an action guideline and preventive measures. This system helped promote more ethical operations and sustainable development. Two layers of passwords were adopted and the server, which was separated from

other applications, was used to safeguard the security of the system and prevent information leakage to related parties. The company also maintained confidentiality and ensured the protection of complaint owners as required by the whistleblowing policy.

## **Internal Control Monitoring**

In 2022, the Internal Audit Office performed 65 audit projects as per the risk-based internal audit plan, which was approved by the Audit Committee on November 9, 2021. The Internal Audit Office was responsible for assessing the adequacy of the internal control system and monitoring corrections of the issues that have been found. This monitoring covered the internal control system on SCGP activities in order to ensure that SCGP and its subsidiaries, both domestic and overseas, can protect their assets from improper use, or use without authorization by directors or executives. This also handled adequate control over connected transactions and transactions that may present a conflict of interest. Findings are presented to the Audit Committee for consideration and approval before reporting them to the Board of Directors on a quarterly basis.

According to the audit results in 2022, there were no significant flaws in the internal control system. The Internal Audit Office has followed up on improvements to the internal control based on the issues that were founded. The management team and the related parties had completely revised the internal control according to recommendations within the specified time frame. In addition, the Company's auditor, KPMG Phoomchai Audit Ltd., reported that there were no material deficiencies that had an impact on the Company's financial statements.

## **The Audit Committee Report**

The Audit Committee gave opinions on SCGP's corporate governance, risk management, compliance and internal control in 2022. These are outlined in the Audit Committee Report, which is included in the message from the Audit Committee. This is summarized as follows:

## **Review of Financial Statements**

The Audit Committee reviewed significant data and information in the quarterly and yearly financial statements of SCG Packaging Public Company Limited for the year 2022 as well as the consolidated financial statements of SCGP and its subsidiaries which were prepared in accordance with Thai Financial Reporting Standards and are in line with International Financial Reporting Standards. The Audit Committee reviewed material issues and special items, and also received clear clarifications from the external auditor, management and Internal Audit Director. The review was performed to ensure that the preparation of the financial statements and the notes disclosed in the financial statements complied with

the requirements of relevant laws and financial reporting standards. The Audit Committee therefore approved the financial statements that were reviewed and audited by the auditor, as an unqualified opinion report.

#### **Review of Connected Transactions or Potential Conflict of Interest**

SCGP has complied with the policies and rules on entering into connected transactions. It has also made disclosures to the Stock Exchange of Thailand (SET) in a timely and correct manner.

#### **Review of Good Corporate Governance**

Directors, the management team and employees strictly adhere to the Good Corporate Governance Policy and guidelines. Employees have passed the Ethics e-Test, which has been conducted for the 8<sup>th</sup> consecutive year to cultivate compliance of the Anti-corruption Policy. SCGP was granted on March 31, 2022 as a Certified Company by the Thai Private Sector Collective Action Against Corruption (CAC) after the 2020 declaration of the intention to join the membership.

#### **Review of the Risk Management Assessment System**

At SCGP, the Risk Management Committee is tasked with formulating the structure and appointing the person in charge of risk management, considering and approving strategies, risk management frameworks, and the risk management process. The scope of responsibility of this person includes the risk review and risk management follow-up throughout the organization. The Company also places an importance on the emerging risks management, which handles significant and potential future risks. Examples are the risk of climate change due to greenhouse gas emissions, the pollution risks, the risks from a shift towards the Circular Economy, the security risks of information technology systems, and the compliance with the PDPA. The Company has rolled out the SCGP Privacy Policy as the framework for managing personal data and preparing systems to support compliance with the act. The Risk Management Committee acts as the Personal Data Protection Committee.

#### **Review of Compliance**

The Audit Committee has continuously reviewed the implementation of the Compliance Policy & Guideline. The Compliance Management System (CMS), which complies with ISO 19600 standards, is enforced and applied to business groups. It is integrated into management systems. Guidelines and checklists serve as the frameworks to follow central key policies. An assessment is carried out on the impacts of a new law or a change in an existing law related to the Company. They are passed on to respective employees to act properly, accurately and in a timely manner. The Company has developed and improved the system of receiving and sending new/changing laws to support other compliance governance tools.

#### **Assessment and Review of Internal Control and the Internal Audit**

The Audit Committee assessed and reviewed the internal control system for both operational and information technology systems in SCGP and its domestic and overseas subsidiaries as reported by the Internal Audit Office. It is agreed that there are adequate and appropriate internal control systems for SCGP's operations.

The Audit Committee reconsiders the Audit Committee Charter and Internal Audit Office Charter annually. In 2022, the Internal Audit Office audited 65 projects related to operations and information technology and found no significant issues. The Internal Audit Office promoted the usage of Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA) and Data lakes to improve the efficiency of risk analysis. Fieldwork were conducted as needed. The auditors were also developed to assess the efficiency and effectiveness of governance, risk management, regulatory and law compliance, and internal controls for SCGP and its subsidiaries, both domestic and overseas. This included increasing their knowledge of digital for auditing data analysis by themselves.

#### **Review of the Complaints and Whistleblowing Investigation**

In 2022, there were a total of 6 complaints through the whistleblowing system. 5 cases were fully investigated (including 1 pending case from 2021) divided into 4 cases that did not comply with complaints or unclear evidence, and 1 case that involved inappropriate management. The Audit Committee reviewed the complaints, and found that there was no issue that came under non-compliance of Code of Conduct, the Anti-corruption Policy, Antitrust Policy, Human Rights Policy, conflict of interest and insider trading. Damages were insignificant. Besides, the Audit Committee reviewed measures and established the guidelines to prevent corruption and fraud that could occur in different business processes and systems. It has also reviewed fraud investigations for compliance purposes and risk assessment to catch up with the ongoing business conditions.

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

The Audit Committee's meeting No. 4/2020 on November 10, 2020 had the resolution to approve the appointment of Ms. Panunda Sunyakorn as the Head of Internal Audit – Internal Audit Director. She was primarily responsible for performing SCGP's internal auditor duties, and preparing reports and recommendations for the management team to make improvements in accordance with SCGP's internal control plans and policies.

The Audit Committee has considered the qualifications of Ms. Panunda Sunyakorn, which were found to be appropriate and adequate for her duties – this includes her qualifications, educational background, experiences, and the training she has attended to be in charge of operations. The Company has summarized the qualifications, educational backgrounds and experiences of the Head of the Internal Audit in the Corporate Governance Structure and important information on the Board of Directors, sub-committees, executives, employees and others sections.

The appointment, removal or transfer of the person holding the Internal Auditor position at SCGP must be approved by the Audit Committee.

### Head of Compliance

According to the Order No. 104/2021 that was announced on September 24, 2021, the Chief Executive Officer approved Miss Suchada Assawaharutai, Safety and Productivity Management Manager, to be in charge of compliance governance, and ensure the Company's operational compliance with laws and government policies. She has replaced Mr. Thawatchai Wongpaisarn. The order came into effect on October 1, 2021. The Company has summarized the qualifications, educational backgrounds and experiences of the Head of Compliance in the corporate governance structure and important information on the Board of Directors, sub-committees, executives, employees and others sections.

## Related Transactions

Details of significant connected transactions between SCG Packaging Public Company Limited (SCGP) and its Subsidiaries ("the Group") and a company or a person which/who may have a potential conflict.<sup>1</sup>

Type of transaction/Connected companies/ Relationship	Total Direct/ Indirect Holding (%)	Amount (Baht Million)			Pricing policy
		2022	2021	2020	
<b>1. Transactions with ultimate parent company [The Siam Cement Public Company Limited ("SCC")]</b>					
Purchases from the Group		5	7	12	Market price applied with third party transactions
Intellectual properties fees		-	-	263	Based on percentage of revenue from sales
Interest received from the Group		-	-	254	Agreed interest rate
Service income charged to the Group		833	852	828	Cost plus margin method comparable
<b>2. Transactions with associates (Entities in which the Group has significant influence)</b>					
Sales to the Group		342	257	254	Market price applied with third party transactions
Siam Nippon Industrial Paper Co., Ltd.	31	227	164	173	
Siam Toppan Packaging Co., Ltd.	49	115	93	81	
Purchases from the Group		554	440	361	Market price applied with third party transactions
Siam Nippon Industrial Paper Co., Ltd.	31	305	189	122	
Siam Toppan Packaging Co., Ltd.	49	222	223	219	
Sahagreen Forest Co., Ltd.	17	26	28	20	
Service income charged to the Group		13	13	13	Market price applied with third party transactions
Interest paid to the Group		6	6	6	Agreed interest rate
Guarantees by the Group (as at 31 December)		66	132	198	Contract rate
Siam Nippon Industrial Paper Co., Ltd.	31	66	132	198	
<b>3. Transactions with subsidiaries of SCC</b>					
Sales to the Group		9,875	8,266	6,115	Market price applied with third party transactions
SCG International Corporation Co., Ltd.		6,396	5,123	4,501	

<sup>1</sup> List the details by companies with transaction value greater than or equal to 0.03% of Net Tangible Asset (NTA)

<b>Type of transaction/Connected companies/ Relationship</b>	<b>Total Direct/ Indirect Holding (%)</b>	<b>Amount (Baht Million)</b>			<b>Pricing policy</b>
		<b>2022</b>	<b>2021</b>	<b>2020</b>	
SCG International (Philippines) Corporation Co., Ltd.		723	399	343	
SCG International USA Inc.		714	969	183	
Thai Polyethylene Co., Ltd.		537	1	-	
SCG International Vietnam Co., Ltd.		355	479	481	
PT SCG International Indonesia		255	67	25	
SCG International Australia Pty. Ltd.		232	328	56	
SCI Eco Services Co., Ltd.		221	104	-	
Rayong Olefins Co., Ltd.		147	127	71	
SCG Cement Co., Ltd.		130	81	64	
Long Son Petrochemicals Co., Ltd.		79	13	-	
Map Ta Phut Olefins Co., Ltd.		32	1	-	
SCG International Middle East DMCC		21	12	-	
The Siam Refractory Industry Co., Ltd.		18	27	24	
The Siam Fibre-Cement Co., Ltd.		3	7	46	
SCG Performance Chemicals Co., Ltd.		-	378	250	
SCG Plastics Co., Ltd.		-	82	14	
SCG International Hong Kong Limited		-	42	7	
<b>Purchases from the Group</b>	<b>4,040</b>	<b>2,763</b>	<b>2,034</b>	Market price applied with third party transactions	
SCG International Corporation Co., Ltd.	1,495	1,115	1,193		
PT SCG International Indonesia	686	379	82		
SCG International Vietnam Co., Ltd.	562	288	164		
Siam Fibre Cement Group Co., Ltd.	334	245	172		
PT Siam-Indo Gypsum Industry	239	209	25		
The Siam Cement (Kaeng Khoi) Co., Ltd.	215	87	40		
The Siam Cement (Ta Luang) Co., Ltd.	102	92	30		
SCG Ceramics Public Company Limited	80	73	73		
Nawaplastic Industries Co., Ltd.	66	63	68		
SCG International Middle East Trading L.L.C	53	-	-		
The Siam Cement (Thung Song) Co., Ltd.	40	29	14		
Sosuco Ceramic Co., Ltd.	34	41	33		
Siam Sanitary Ware Industry Co., Ltd.	27	42	47		
Prime Trading, Import and Export One Member Limited Liability Company	22	21	29		
Siam Sanitary Ware Industry (Nongkao) Co., Ltd.	8	24	23		
<b>Service income charged to the Group</b>	<b>2,696</b>	<b>2,763</b>	<b>2,268</b>	Market price applied with third party transactions	
SCG Logistics Management Co., Ltd.	1,851	1,883	1,630		
SCG International Vietnam Co., Ltd.	414	523	361		
Rayong Engineering & Plant Service Co., Ltd.	107	10	1		
SCI Eco Services Co., Ltd.	83	144	181		
SUSUNN Smart Solution Co., Ltd.	44	-	-		
The Siam Fibre-Cement Co., Ltd.	31	21	-		
SCG Learning Excellence Co., Ltd.	21	19	10		
SCG Legal Counsel Limited	21	29	33		
PT SCG Barito Logistics	20	20	3		
The Siam Refractory Industry Co., Ltd.	17	4	-		
SCG Ceramics Public Company Limited	3	19	-		
<b>Interest received from the Group</b>	<b>-</b>	<b>-</b>	<b>1</b>	Agreed interest rate	

<b>Type of transaction/Connected companies/ Relationship</b>	<b>Total Direct/ Indirect Holding (%)</b>	<b>Amount (Baht Million)</b>			<b>Pricing policy</b>
		<b>2022</b>	<b>2021</b>	<b>2020</b>	
<b>4. Transactions with associates of SCC</b>					
Sales to the Group		235	273	164	Market price applied with third party transactions
Siam Synthetic Latex Co., Ltd.		167	175	117	
Green Siam Resources Corporation		42	52	-	
Siam Tohcello Co., Ltd.		23	41	46	
<b>Purchases from the Group</b>	<b>952</b>	<b>791</b>	<b>602</b>		Market price applied with third party transactions
The Siam Gypsum Industry (Saraburi) Co., Ltd.		632	513	417	
The Siam Gypsum Industry (Songkhla) Co., Ltd.		130	83	56	
Thai MFC Co., Ltd.		85	82	44	
Siam Polyethylene Co., Ltd.		36	47	35	
Siam Synthetic Latex Co., Ltd.		26	24	17	
Siam Kubota Corporation Co., Ltd.		20	19	13	
<b>Service income charged to the Group</b>	<b>189</b>	<b>177</b>	<b>110</b>		Market price applied with third party transactions
IT One Co., Ltd.		168	154	94	
Green Siam Resources Corporation		13	18	16	
<b>5. Transactions with other companies of which SCC's executives hold director titles</b>					
Purchases from the Group		35	64	49	Market price applied with third party transactions
Asia Cement Public Company Limited		32	42	48	
SCG Foundation		3	22	1	
<b>6. Transactions with other companies which have directors or major shareholders or controlling persons in common<sup>2</sup></b>					
Sales/Service income charged to the Group		134	289	306	Market price applied with third party transactions
The Deves Insurance Public Company Limited		131	127	127	
Baker & McKenzie Ltd.		-	8	24	
SCB Securities Co., Ltd.		-	-	154	
<b>Purchases/Service expenses and others charged by the Group</b>	<b>1,583</b>	<b>1,159</b>	<b>300</b>		Market price applied with third party transactions
I-Tail Corporation Public Company Limited (Formerly: Songkla Canning Public Company Limited)		696	204	-	
Thai Union Manufacturing Co., Ltd.		177	355	-	
Thai Union Graphic Co., Ltd.		139	107	-	
B. Foods Product International Co., Ltd.		138	106	20	
Thai Union Group Public Company Limited		114	111	-	
Better Foods Co., Ltd.		63	51	51	
Betagro Agro Industry Co., Ltd.		59	63	44	
Chotiwat Manufacturing Public Company Limited		24	24	-	

<sup>2</sup> Conforming to the instruction manual of form 56-1 One Report preparation and disclosure these transactions since the first year of relationship

<b>Type of transaction/Connected companies/ Relationship</b>	<b>Total Direct/ Indirect Holding (%)</b>	<b>Amount (Baht Million)</b>			<b>Pricing policy</b>
		<b>2022</b>	<b>2021</b>	<b>2020</b>	
Thai Union Seafood Co., Ltd.		23	26	-	
Ajinomoto Betagro Frozen Foods (Thailand) Co., Ltd.		22	-	-	
Nan Yang Garment Co., Ltd.		21	21	18	
Pet Focus Company Limited		21	-	-	
Okeanos Food Co., Ltd.		15	24	-	
<b>Interest paid to the Group</b>	<b>8</b>	<b>5</b>	<b>2</b>		Agreed interest rate
<b>Interest received from the Group</b>	<b>10</b>	<b>8</b>	<b>31</b>		Agreed interest rate
The Siam Commercial Bank Public Company Limited		4	8	31	
<b>Service fee and others charged to the Group</b>	<b>19</b>	<b>7</b>	<b>134</b>		Contract rate
The Siam Commercial Bank Public Company Limited		6	3	134	
<b>Deposits of the Group (as at 31 December)</b>	<b>3,446</b>	<b>302</b>	<b>1,838</b>		Agreed interest rate
Kasikornbank Public Company Limited		2,804	184	-	
The Siam Commercial Bank Public Company Limited		642	118	1,838	
<b>Loans to the Group (as at 31 December)</b>	<b>175</b>	<b>2,610</b>	<b>3,224</b>		Agreed interest rate
The Siam Commercial Bank Public Company Limited		175	2,610	3,224	
<b>Forward exchange contracts (as at 31 December)</b>	<b>2,445</b>	<b>4,939</b>	<b>888</b>		Contract rate
The Siam Commercial Bank Public Company Limited		1,525	2,774	888	
Kasikornbank Public Company Limited		920	2,165	-	

### Necessity and Reasonableness of Related Transactions

The Audit Committee reviewed the related transactions that occurred during the fiscal year that ended on December 31, 2022, as detailed above. Necessary items were conditions and prices that were fair, appropriate and/or equal to arm's length transactions, and were approved in accordance with the Company's policy before the transactions were carried out.

### Related Transactions that Present a Conflict of Interest

SCGP will continue to proceed with related transactions with connected persons in the future. These mainly include normal business and support transactions. If SCGP undertakes connected transactions in the future, SCGP and Group companies will take the actions listed below:

- (1) SCGP must consider the connected transaction. SCGP will use the same pricing criteria and trade agreements that it uses with general counterparties. It will ensure that the transaction terms and conditions are fair, reasonable and reinforce SCGP's interests.
- (2) The prices of goods or services must align with standard prices, as there are many buyers and sellers on the market. SCGP should find information on characteristics, prices and standards on the market and compare them with its connected transactions.
- (3) If goods or services are unique or customized, SCGP will not be able to compare their prices with others on the market. SCGP must therefore demonstrate that the gross profit margin from the connected transaction is not different from other transactions, including trading, with other partners.

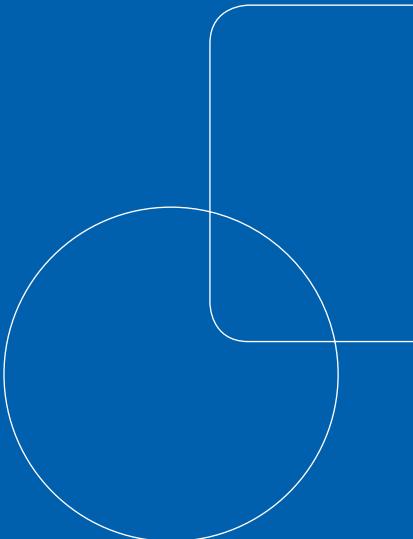
(4) SCGP may use the independent appraisal report listed in the SEC's list, which is compiled by SCGP or Group companies to compare important connected transaction prices to ensure that prices are fair, reasonable and reinforce SCGP's interests.

(5) Directors, executives, or related persons may enter into transactions with SCGP or its subsidiaries if they are approved at the shareholders' meeting. Unless it is a trade agreement, transactions will follow the same processes as transactions between prudent persons and general counterparties that are in the same situation. There shall be no trade bargaining power with the influence or presence of a director, executive or related person. Trade agreements must be approved by the Board of Directors or in accordance with principles that have already been approved by the Board of Directors. Depending on the size of the transaction, it may or may not need to be approved at the shareholders' meeting.

(6) If SCGP has related transactions or connected transactions that fall under the criteria of entering into connected transactions, SCGP must adhere to the above rules.

(7) SCGP must disclose information on transactions that may present a conflict of interest, connected transactions or related transactions, in accordance with the rules set by the SEC and the SET. This information must be disclosed in the annual registration statement, annual reports or other reports as the case may be. SCGP must also prepare details on connected transactions and related transactions according to accounting standards and report to the SET, following the required regulations. The connected transactions shall be reviewed in accordance with the audit plan. The Internal Audit Office must report the results of such review to the Audit Committee and propose control measures, as well as supervise and perform random reviews of actual transactions to ensure accuracy and compliance with specific contracts, policies or conditions.

**FULFILLING BETTER WAYS OF LIFE  
WITH SUSTAINABLE GROWTH**





**SCG Packaging Public Company Limited**

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SCGP



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## Financial Report 2022

(Form 56-1 One Report)

SCG Packaging Public Company Limited



### **SCG Packaging Public Company Limited**

#### **Company Profile**

<b>Registration No.</b>	0107537000921
<b>Head Office Address</b>	1 Siam Cement Road, Bangsue Bangkok 10800
<b>Business Type</b>	The Company generates revenue from holding shares in other companies (Holding Company) operating core business as an integrated packaging solutions provider (The key subsidiary engaging in the core business is Siam Kraft Industry Co., Ltd.), which is organized into three main businesses: Integrated Packaging Business, Fibrous Business, and Recycling Business and Others.
<b>Present Registered Capital</b>	Registered capital: 4,500,000,000 Baht Paid-up capital: 4,292,920,200 Baht Issued and paid-up ordinary shares: 4,292,920,200 shares Issued and paid-up preference shares: - None - Par value of 1 Baht per share
<b>Website</b>	<a href="http://www.SCGPackaging.com">www.SCGPackaging.com</a>
<b>Contact</b>	Tel: +66 2586 3333 Fax: +66 2586 3007 E-mail: <a href="mailto:SCGPackaging@scg.com">SCGPackaging@scg.com</a>
<b>Share Registrar</b>	Thailand Securities Depository Company Limited 1 <sup>st</sup> Floor, The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel: +66 2009 9999 Fax: +66 2009 9991 Website: <a href="http://www.set.or.th">http://www.set.or.th</a>

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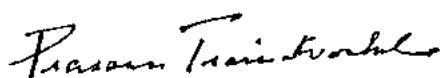
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# Report on the Board of Directors' Responsibilities for Financial Statements

The Board of Directors of SCG Packaging Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 and its amendments. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

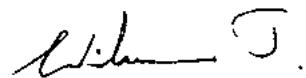
The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report.

The Board is confident that the internal control system and the internal audit of the company provide credibility and reliability that the separate financial statements and consolidated financial statements of SCG Packaging Public Company Limited and its subsidiaries for the year ended December 31, 2022 represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai Financial Reporting Standards.



(Mr. Prasarn Trairatvorakul)

Chairman



(Mr. Wichan Jitpukdee)

Chief Executive Officer



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## Independent auditor's report

### To the Shareholders of SCG Packaging Public Company Limited

#### *Opinion*

I have audited the consolidated financial statements of SCG Packaging Public Company Limited and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement and statement of comprehensive income, changes in shareholders’ equity and cash flows for year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, its financial performance and cash flows for 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 Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



<p>The acquisitions of business</p> <p>Refer to Notes 3 (a) and 4 to the financial statements.</p>	
The key audit matter	How the matter was addressed in the audit
<p>During 2022, the Group acquired Thai and overseas companies and engaged independent appraisers to determine the fair values of assets acquired and liabilities assumed from a business acquisition.</p> <p>The accounting for the business acquisition is material and complex which require management to make significant judgments in identifying and determining the fair values of assets acquired and liabilities assumed from the business acquisitions based on assumptions which are uncertain. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• inquiry of management about the nature and objective for the business acquisitions, inspecting share transfer agreements and relevant minutes of meetings of management in order to understand significant terms and conditions, including the features relevant to the acquisition accounting;</li> <li>• assessing the reasonableness of the key assumptions used to determine the fair values of assets acquired and liabilities assumed from the business acquisitions with reference to the operating environment, my knowledge of the acquired businesses and industry, and other information obtained during the audit;</li> <li>• evaluating the appropriateness of identifying assets acquired and liabilities assumed from the business acquisitions by management, and the consideration transferred to the seller, examining the relevant purchase and disbursement documents, and testing the mathematical accuracy of calculation of goodwill;</li> <li>• consulting with KPMG valuation specialists when considering the appropriateness of the valuation methodology and approach;</li> <li>• evaluating the independence and professional competence of the independent appraisers engaged by the Group; and</li> <li>• considering the adequacy of the disclosures in accordance with the financial reporting standard.</li> </ul>

**The impairment testing of goodwill**

Refer to Notes 3 (k) and 12 to the financial statements.

<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>Business risk arising from internal and external factors causes the management to pay more attention to impairment testing of goodwill arising from business acquisition, especially from the acquisition of overseas business. Besides this, according to the financial reporting standard, the Group performs an impairment testing on goodwill derived from business combination on an annual basis or whenever an indication of impairment exists. This requires management's judgments and estimates in determining the recoverable amount of cash generating unit, in particular the forecasting of future cash flows from business plan and its forecast growth rate and discount rate used for each cash generating unit. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"><li>• obtaining understanding of the relevant business plan, the management's identification of cash generating unit, impairment testing procedures and the calculation of the recoverable amount;</li><li>• evaluating the appropriateness of cash generating unit to which goodwill belongs identified by management, assessing the reasonableness of the key assumptions which supported discounted cash flows projection such as cash flow forecasts, long-term growth rates and discount rates by comparing with market situations and operating environment, industry knowledge and other information obtained during the audit, including evaluating the reasonableness of the forecasting of financial performances by comparing historical estimation to the actual operating results;</li><li>• evaluating the appropriateness of the valuation methodology used by management and testing the mathematical accuracy of the recoverable amount and impairment calculations; and</li><li>• considering the adequacy of the disclosures in accordance with the financial reporting standard.</li></ul>



### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and my auditor's report thereon.

My opinion on the consolidated 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 financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 financial reporting process.

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

My objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 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 consolidated 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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, actions taken to eliminate threats or safeguards applied.

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

A handwritten signature in black ink, appearing to read "Pornthip Rimdusit".

(Pornthip Rimdusit)  
Certified Public Accountant  
Registration No. 5565

**SCG Packaging Public Company Limited and its Subsidiaries****Consolidated statement of financial position****As at 31 December 2022**

<b>Assets</b>	<i>Note</i>	<b>2022</b>	<b>2021</b>
		<i>(in thousand Baht)</i>	
<b><i>Current assets</i></b>			
Cash and cash equivalents	6	9,965,933	7,310,312
Investments in short-term debt instruments	25	2,378,495	12,911,559
Trade and other current receivables	5, 7	23,254,060	24,910,096
Advance payment for assets		813,142	571,197
Inventories	8	23,280,799	23,307,925
Other current assets		462,004	175,141
<b>Total current assets</b>		<b>60,154,433</b>	<b>69,186,230</b>
<b><i>Non-current assets</i></b>			
Investments in associates	9	1,034,332	873,034
Other non-current receivables		741,413	740,976
Investment property		141,692	138,230
Property, plant and equipment	10, 11	94,585,205	97,181,239
Goodwill	12	28,233,239	29,482,758
Other intangible assets	12	10,573,939	7,750,002
Deferred tax assets	13	852,115	920,301
Others non-current assets		963,278	550,971
<b>Total non-current assets</b>		<b>137,125,213</b>	<b>137,637,511</b>
<b>Total assets</b>		<b>197,279,646</b>	<b>206,823,741</b>

For and on behalf of the Board of Directors

(Mr. Prasarn Trairatvorakul)

Chairman

(Mr. Wichan Jitpukdee)

Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited and its Subsidiaries****Consolidated statement of financial position****As at 31 December 2022**

<b>Liabilities and shareholders' equity</b>	<i>Note</i>	<b>2022</b>	<b>2021</b>
		<i>(in thousand Baht)</i>	
<b><i>Current liabilities</i></b>			
Bank overdrafts and short-term borrowings			
from financial institutions	15	16,155,140	30,547,449
Trade and other current payables	5	14,281,909	15,261,285
Current portion of long-term borrowings			
from financial institutions	15	1,570,769	1,864,933
Current portion of lease liabilities	5, 15	587,166	476,647
Corporate income tax payable		572,767	609,559
Other current liabilities	4	310,908	3,216,706
<b>Total current liabilities</b>		<b>33,478,659</b>	<b>51,976,579</b>
<b><i>Non-current liabilities</i></b>			
Long-term borrowings from financial institutions	15	14,450,650	16,670,734
Lease liabilities	5, 15	1,920,639	1,718,428
Debentures	15	15,484,603	5,493,051
Deferred tax liabilities	13	5,322,691	4,491,388
Non-current provisions for employee benefits	16	3,595,818	3,877,591
Other non-current liabilities		59,846	296,026
<b>Total non-current liabilities</b>		<b>40,834,247</b>	<b>32,547,218</b>
<b>Total liabilities</b>		<b>74,312,906</b>	<b>84,523,797</b>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited and its Subsidiaries****Consolidated statement of financial position****As at 31 December 2022**

<b>Liabilities and shareholders' equity</b>	<i>Note</i>	2022	2021
<i>(in thousand Baht)</i>			
<b><i>Shareholders' equity</i></b>			
Share capital			
<i>Authorized share capital</i>			
<i>(4,500 million ordinary shares, par value at Baht 1 per share)</i>		<b>4,500,000</b>	<b>4,500,000</b>
<i>Issued and paid share capital</i>			
<i>(4,293 million ordinary shares, par value at Baht 1 per share)</i>		4,292,920	4,292,920
Share premium		40,860,245	40,860,245
Other deficits		(1,445,045)	(1,445,045)
Retained earnings			
<i>Appropriated</i>			
Legal reserve	17	450,000	450,000
General reserve		3,000	3,000
<i>Unappropriated</i>		55,268,983	52,106,464
Other components of shareholders' equity		(2,229,860)	569,616
<b>Total equity attributable to owners of the Company</b>		<b>97,200,243</b>	<b>96,837,200</b>
Non-controlling interests		25,766,497	25,462,744
<b>Total shareholders' equity</b>		<b>122,966,740</b>	<b>122,299,944</b>
<b>Total liabilities and shareholders' equity</b>		<b>197,279,646</b>	<b>206,823,741</b>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated income statement**  
**For the year ended 31 December 2022**

	Note	2022	2021
		(in thousand Baht)	
Revenue from sales	5	146,068,043	124,222,657
Cost of sales	5	(121,791,156)	(101,344,520)
<b>Gross profit</b>		<b>24,276,887</b>	<b>22,878,137</b>
Gain on exchange rate		143,006	317,207
Other income	4, 5	1,321,527	2,214,237
<b>Profit before expenses</b>		<b>25,741,420</b>	<b>25,409,581</b>
Distribution costs	5, 19	(9,350,540)	(6,819,674)
Administrative expenses	5, 20	(6,688,289)	(5,754,846)
<b>Total expenses</b>		<b>(16,038,829)</b>	<b>(12,574,520)</b>
<b>Profit from operations</b>		<b>9,702,591</b>	<b>12,835,061</b>
Finance costs		(1,468,123)	(1,179,918)
Share of profit of associates			
accounted for using equity method	9	54,819	57,226
<b>Profit before income tax</b>		<b>8,289,287</b>	<b>11,712,369</b>
Tax expense	22	(1,549,917)	(2,065,425)
<b>Profit for the year</b>		<b>6,739,370</b>	<b>9,646,944</b>
Profit attributable to			
<b>Owners of the Company</b>		<b>5,800,605</b>	<b>8,294,367</b>
Non-controlling interests		938,765	1,352,577
		<b>6,739,370</b>	<b>9,646,944</b>
<i>Basic earnings per share (in Baht)</i>			
<b>Attributable to owners of the Company</b>		<b>1.35</b>	<b>1.93</b>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated statement of comprehensive income**  
**For the year ended 31 December 2022**

	Note	2022	2021
		(in thousand Baht)	
<b>Profit for the year</b>		<b>6,739,370</b>	<b>9,646,944</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently</i>			
<i>to profit or loss</i>			
Exchange differences on translating financial statement		(3,379,678)	5,005,211
<i>Items that will not be reclassified subsequently</i>			
<i>to profit or loss</i>			
Gain on investments in equity instruments			
measured at fair value		4,744	1,658
Gain on remeasurements of defined benefit plans	16	272,673	137,031
Share of other comprehensive income of associates			
accounted for using equity method	9	2,654	7,585
Income tax relating to items that will not be			
reclassified subsequently to profit or loss	22	(62,385)	(25,725)
<b>Total items that will not be reclassified</b>			
<b>subsequently to profit or loss</b>			
		<b>217,686</b>	<b>120,549</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(3,161,992)</b>	<b>5,125,760</b>
<b>Total comprehensive income for the year</b>			
		<b>3,577,378</b>	<b>14,772,704</b>
Total comprehensive income attributable to			
<b>Owners of the Company</b>			
Non-controlling interests		424,150	2,672,635
		<b>3,153,228</b>	<b>12,100,069</b>
		<b>3,577,378</b>	<b>14,772,704</b>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated statement of changes in shareholders' equity**  
For the year ended 31 December 2022

	<i>Retained earnings</i>			<i>Other components of shareholders' equity</i>		
	Appropriated	Unappropriated	Exchange differences	Gain (loss) on investments in equity instruments	Total components of shareholders' equity measured at fair value	Total equity attributable to owners of the Company
Issued and paid share capital	Share premium	Other deficits	Legal reserve	General reserve	Translating financial statement <i>(in thousand Baht)</i>	Non-controlling interests
<b>Note</b>						shareholders' equity
<b>Balance at 1 January 2021</b>	<b>4,292,920</b>	<b>40,860,245</b>	<b>(448,444)</b>	<b>337,700</b>	<b>3,000</b>	<b>46,836,323</b>
<b>Transactions with owners, recorded directly in shareholders' equity</b>					<b>(3,136,214)</b>	<b>(7,713)</b>
<b>Contributions by and distributions to owners</b>					<b>(3,143,927)</b>	<b>88,737,817</b>
<b>Dividends</b>	<b>24</b>					
<b>Total contributions by and distributions to owners</b>					<b>(3,004,085)</b>	<b>(3,004,085)</b>
<b>Changes in ownership interests in subsidiaries</b>						
Changes that do not result in an acquisition or a loss of control	4	-	-	(996,601)	-	(996,601)
Changes that result in an acquisition or a loss of control	4	-	-	-	-	-
<b>Total changes in ownership interests in subsidiaries</b>				<b>(996,601)</b>	<b>(3,004,085)</b>	<b>(996,601)</b>
<b>Total transactions with owners, recorded directly in shareholders' equity</b>				<b>(996,601)</b>	<b>(3,004,085)</b>	<b>(4,000,686)</b>
<b>Comprehensive income for the year</b>						
Profit or loss	-	-	-	8,294,367	-	8,294,367
Other comprehensive income	-	-	-	92,159	3,712,303	3,713,543
<b>Total comprehensive income for the year</b>				<b>8,386,526</b>	<b>3,712,303</b>	<b>12,100,069</b>
Transfer to legal reserve	17	-	-	-	<b>3,713,543</b>	<b>2,672,635</b>
<b>Balance at 31 December 2021</b>	<b>4,292,920</b>	<b>40,860,245</b>	<b>(1,445,045)</b>	<b>450,000</b>	<b>3,000</b>	<b>52,106,464</b>
				<b>576,089</b>	<b>(6,473)</b>	<b>569,616</b>
						<b>96,837,200</b>
						<b>25,462,744</b>
						<b>122,299,944</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated statement of changes in shareholders' equity**  
For the year ended 31 December 2022

	<i>Retained earnings</i>			<i>Other components of shareholders' equity</i>			Total shareholders' equity
	Appropriated	Unappropriated	Exchange differences on investments in equity instruments translated financial statement (in thousand Baht)	Gain (loss) on other investments components of shareholders' fair value equity	Total equity attributable to owners of the Company	Non- controlling interests	
Issued and paid share capital <i>Note</i>	Share premium	Other deficits	Legal reserve	General reserve			
Balance at 1 January 2022	4,292,920	40,860,245	(1,445,045)	450,000	3,000	52,106,464	576,089
Transactions with owners, recorded directly in shareholders' equity						569,616	96,837,200
<i>Contributions by and distributions to owners</i>						(6,473)	25,462,744
Dividends	24	-	-	-		(2,790,185)	(821,534)
<i>Total contributions by and distributions to owners</i>						(2,790,185)	(3,611,719)
<i>Changes in ownership interests in subsidiaries</i>							
Changes that do not result in an acquisition or a loss of control	4	-	-	-	-	-	650,437
Changes that result in an acquisition or a loss of control	4	-	-	-	-	-	50,700
<i>Total changes in ownership interests in subsidiaries</i>							701,137
<i>Total transactions with owners, recorded directly in shareholders' equity</i>						(2,790,185)	701,137
<i>Comprehensive income for the year</i>							
Profit or loss	-	-	-	5,800,605	-	5,800,605	938,765
Other comprehensive income	-	-	-	152,099	(2,803,023)	3,547	6,393,370
<i>Total comprehensive income for the year</i>				5,952,704	(2,803,023)	3,547	(2,647,377)
<i>Balance at 31 December 2022</i>	<b>4,292,920</b>	<b>40,860,245</b>	<b>(1,445,045)</b>	<b>450,000</b>	<b>3,000</b>	<b>55,268,983</b>	<b>(2,226,934)</b>
							<b>25,766,497</b>
							<b>122,966,740</b>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Consolidated statement of cash flows**  
**For the year ended 31 December 2022**

	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>		
Profit for the year	6,739,370	9,646,944
<b><i>Adjustments for</i></b>		
Tax expense	1,549,917	2,065,425
Depreciation and amortization	9,699,145	8,315,232
Expected credit loss (reversal)	11,601	(59,092)
Loss on inventories devaluation	169,575	89,820
Non-current provisions for employee benefit expense	217,031	370,276
Gain on foreign currency exchange	(120,177)	(209,704)
Share of profit of associates accounted for using equity method	(54,819)	(57,226)
Interest income	(197,087)	(196,725)
Finance costs	1,468,123	1,179,918
Loss on impairment of assets (reversal)	(7,687)	132,349
Gain on fair value adjustment and others	(152,379)	(1,405,125)
<b><i>Cash flows generated from operations</i></b>		
<b>before changes in operating assets and liabilities</b>	<b>19,322,613</b>	<b>19,872,092</b>
<b><i>Decrease (increase) in operating assets</i></b>		
Trade and other receivables	3,234,770	(4,903,162)
Inventories	(405,471)	(6,881,734)
Other assets	(148,055)	(209,600)
<b>Net decrease (increase) in operating assets</b>	<b>2,681,244</b>	<b>(11,994,496)</b>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited and its Subsidiaries****Consolidated statement of cash flows****For the year ended 31 December 2022**

	<i>Note</i>	2022	2021
		<i>(in thousand Baht)</i>	
<b><i>Increase (decrease) in operating liabilities</i></b>			
Trade and other payables		(2,631,403)	2,224,408
Non-current provisions for employee benefits		(251,683)	(185,462)
Other liabilities		(124,519)	(169,025)
<b>Net increase (decrease) in operating liabilities</b>		<b>(3,007,605)</b>	<b>1,869,921</b>
<b>Net cash flows generated from operations</b>		<b>18,996,252</b>	<b>9,747,517</b>
Income tax paid		(1,762,449)	(2,246,540)
<b>Net cash flows provided by operating activities</b>		<b>17,233,803</b>	<b>7,500,977</b>
<b><i>Cash flows from investing activities</i></b>			
Acquisition of subsidiaries, net of cash acquired	4	(7,025,945)	(13,778,582)
Acquisition of interests in associate		(44,210)	-
Proceeds from sale of debt instruments of other entities		12,475,301	1,406,781
Acquisition of debt instruments of other entities		(1,711,122)	(12,445,005)
Proceeds from sales of property, plant and equipment		166,477	20,631
Acquisition of property, plant and equipment		(6,861,637)	(6,191,481)
Acquisition of intangible assets		(324,124)	(223,690)
Proceeds from short-term loans to related party		-	7,328
Dividends received		10,862	14,397
Interest received		195,166	194,307
<b>Net cash flows used in investing activities</b>		<b>(3,119,232)</b>	<b>(30,995,314)</b>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited and its Subsidiaries****Consolidated statement of cash flows****For the year ended 31 December 2022**

	<i>Note</i>	2022	2021
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from financing activities</i></b>			
Proceeds from changes in ownership interests			
in subsidiaries that do not result in a loss of control		650,444	-
Payments of changes in ownership interests			
in subsidiaries that do not result in a loss of control	4	-	(1,410,518)
<b><i>Proceeds from (payments of) borrowings</i></b>			
Proceeds from (payments of) bank overdrafts			
and short-term borrowings - net		(14,047,168)	12,454,078
Proceeds from long-term borrowings		-	5,000,000
Payments of long-term borrowings		(2,580,001)	(17,334,493)
Payments of lease liabilities		(625,861)	(549,444)
Proceeds from issuance of debentures		10,000,000	5,500,000
<b>Net increase (decrease) in borrowings</b>		<b>(7,253,030)</b>	<b>5,070,141</b>
<b><i>Dividends paid</i></b>			
Dividends paid to owners of the Company		(2,790,185)	(3,004,085)
Dividends paid to non-controlling interests		(821,534)	(517,452)
<b>Total dividends paid</b>		<b>(3,611,719)</b>	<b>(3,521,537)</b>
Interest and other finance costs paid		(1,387,234)	(1,180,397)
<b>Net cash flows used in financing activities</b>		<b>(11,601,539)</b>	<b>(1,042,311)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>2,513,032</b>	<b>(24,536,648)</b>
Effect of exchange rate changes on cash and cash equivalents		142,589	591,258
Cash and cash equivalents at beginning of the year		7,310,312	31,255,702
<b>Cash and cash equivalents at end of the year</b>		<b>9,965,933</b>	<b>7,310,312</b>
<b><i>Supplementary information for cash flows</i></b>			
<b>Non-cash from investing transactions at end of the year</b>			
Account payables from purchase of assets		609,484	517,439
Accrued investments		490,907	3,664,557

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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# **SCG Packaging Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the year ended 31 December 2022**

These notes form an integral part of the consolidated financial statements.

The consolidated financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 14 February 2023.

### **1 General information**

SCG Packaging Public Company Limited, the “Company”, is incorporated in Thailand. The Company’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited, which is incorporated in Thailand.

The Company and its subsidiaries, the “Group”, is a comprehensive packaging solutions providers comprising of three main operating businesses (1) Integrated Packaging Business (2) Fibrous Business and (3) Recycling Business.

Details of the subsidiaries, which were included in the consolidated financial statements, are as follows:

	2022	2021
	Direct / Indirect	Holding (%)
<b><i>Registered in Thailand</i></b>		
Siam Kraft Industry Co., Ltd.	100	100
SCG Paper Energy Co., Ltd.	100	100
SCGP Solutions Co., Ltd.	100	100
SCGP Rigid Plastics Co., Ltd.	100	100
International Healthcare Packaging Co., Ltd.	100	100
Invenique Co., Ltd.	100	100
SCGP Excellence Training Center Co., Ltd.	100	100
Vexcel Pack Co., Ltd. (Formerly: Visy Packaging (Thailand) Limited)	100	100
Precision Print Co., Ltd.	100	100
SKIC International Co., Ltd.	100	-
Thai Cane Paper Public Company Limited	98.20	98.20
Thai Containers Group Co., Ltd.	70	70
Thai Containers Khonkaen Co., Ltd.	70	70
Thai Containers Rayong Co., Ltd.	70	70
Orient Containers Co., Ltd.	70	70
Dyna Packs Co., Ltd.*	70	70
D-In Pack Co., Ltd.*	70	70
Phoenix Pulp & Paper Public Company Limited	69.58	69.58
Phoenix Utilities Co., Ltd.**	69.58	69.58
Thai Paper Co., Ltd.	69.58	69.58

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

	2022	2021
	Direct / Indirect Holding (%)	Direct / Indirect Holding (%)
The Siam Forestry Co., Ltd.	69.58	69.58
Siam Panawes Co., Ltd.	69.58	69.58
Suanpa Rungsaris Co., Ltd.	69.58	69.58
Panas Nimit Co., Ltd.	69.58	69.58
Thai Panaboon Co., Ltd.	69.58	69.58
Thai Panaram Co., Ltd.	69.58	69.58
Thai Panadorn Co., Ltd.	69.58	69.58
Thai Panason Co., Ltd.	69.58	69.58
Thai Wanabhum Co., Ltd.	69.58	69.58
TC Flexible Packaging Co., Ltd.	52.50	52.50
Prepack Thailand Co., Ltd.	52.38	52.38
SCGP-T Plastics Co., Ltd.	51	51
Tawana Container Co., Ltd.	50.40	50.40
Conimex Co., Ltd.	38.25	38.25
 <i>Registered in Philippines</i>		
United Pulp and Paper Co., Inc.	74.77	74.77
United Industrial Energy Corporation	74.77	74.77
 <i>Registered in Vietnam</i>		
Go-Pak Vietnam Limited	100	100
Go-Pak Paper Products Vietnam Co., Ltd.	100	100
Vina Kraft Paper Co., Ltd.	70	70
New Asia Industries Co., Ltd.	70	70
Alcamax Packaging (Vietnam) Co., Ltd.	70	70
AP Packaging (Hanoi) Co., Ltd.	70	70
Packamex (Vietnam) Co., Ltd.	70	70
Duy Tan Plastics Manufacturing Corporation		
Joint Stock Company	70	70
Duy Tan Long An Co., Ltd.	70	70
Duy Tan Precision Mold Co., Ltd	70	70
Mata Plastic Co., Ltd.	70	70
Duy Tan Binh Duong Plastics Co., Ltd.	70	70
Bien Hoa Packaging Joint Stock Company	65.88	65.88
Tin Thanh Packing Joint Stock Company	52.49	52.49
 <i>Registered in Singapore</i>		
SCGP Solutions (Singapore) Pte. Ltd.	100	100
SCGP Rigid Packaging Solutions Pte. Ltd.	100	100
TCG Solutions Pte. Ltd.	70	70

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

	2022	2021
	Direct / Indirect	Holding (%)
<b><i>Registered in Indonesia</i></b>		
PT Indocorr Packaging Cikarang	70	70
PT Indoris Printingdo	69.97	69.97
PT Primacorr Mandiri	67.90	67.90
PT Fajar Surya Wisesa Tbk.	55.24	55.24
PT Dayasa Aria Prima	55.24	55.24
PT Indonesia Dirlajaya Aneka Industri Box	52.50	52.50
PT Bahana Buana Box	52.50	52.50
PT Rapipack Asritama	52.50	52.50
<b><i>Registered in Malaysia</i></b>		
Interpress Printers Sendirian Berhad	68.30	68.30
<b><i>Registered in United Kingdom</i></b>		
Go-Pak UK Limited	100	100
Peute UK Limited	100	-
<b><i>Registered in Spain</i></b>		
Peute Recycling Spain S.L.	100	-
Deltalab Global, S.L.	85	85
Deltalab, S.L.	85	85
Keylab, S.L.U.	85	85
Nirco, S.L.	85	85
Envases Farmaceuticos, S.A.	85	85
Equilabo Scientific, S.L.U.	85	85
Sanilabo, S.L.U.	85	85
<b><i>Registered in Netherlands</i></b>		
Peute Recycling B.V.	100	-
Peute Papierrecycling B.V.	100	-
Peute Plasticrecycling B.V.	100	-
Peute Recycling International B.V.	100	-
<b><i>Registered in Portugal</i></b>		
Peute Portugal, Unipessoal Lda	100	-
<b><i>Registered in the United States</i></b>		
Jordan Trading Inc.	90.10	-

\* Currently in the liquidation process

\*\* Currently in the liquidation process due to the transfer of entire business to Phoenix Pulp &amp; Paper Public Company Limited on 1 October 2021 and registered the dissolution with the Department of Business Development, Ministry of Commerce on 20 December 2021.

## **SCG Packaging Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

Most of the above subsidiaries were established in Thailand unless otherwise stated. There was no material change in the percentage of holding from 2021, except during 2022, the Group acquired the ordinary shares of Peute Recycling B.V. and its subsidiaries in the Netherlands and Jordan Trading Inc. in the United States. These companies' assets, liabilities and operating results are included in the Group's consolidated financial statements, as discussed in note 4.

#### **2 Basis of preparation of the financial statements**

The consolidated financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRSs"); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The consolidated financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

The preparation of consolidated financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

From 1 January 2022, the Group has adopted the amendments in accordance with TFRS 9 *Financial Instruments* and TFRS 7 *Disclosure of Financial Instruments*, which apply to transactions directly affected by interest rate benchmark reform (IBOR). The Group is currently in the process of amending contractual terms in order to response to IBOR reform.

#### **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### **(a) Basis of consolidation**

The Group applies the acquisition method when the Group assesses that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognized as incurred.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest of investment in the acquiree to its acquisition-date fair value and recognize the resulting gain or loss in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income shall be recognized on the same basis as would be required if that interest was disposed of.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognized in profit or loss immediately.

Consideration transferred is measured at fair-value includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognized in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted or additional assets or liabilities are recognized during the measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

**(b) Investment in subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree when there is a change in the Group's interest in a subsidiary that does not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid from the acquisition or consideration received from disposal is accounted for as other surplus or deficit in shareholders' equity.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss arising from loss of control in the subsidiary is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

**(c) Investments in associates**

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group recognized investments in associates using the equity method in the consolidated financial statements. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include dividend income the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**(d) Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments which have a maturities of three months or less from the date of acquisition and are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are component of financing activities for the purpose of the statement of cash flows.

**(e) Trade and other receivables**

A receivable is recognized when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status by taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the end of the reporting period.

**(f) Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost.

Cost comprises costs of purchase, costs of conversion or relevant direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the costs to complete and to make the sale.

**(g) Non-current assets classified as held for sale**

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use which are available for immediate sale in current condition and measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are no longer depreciated or amortized and any equity-accounted investee is no longer equity accounted.

**(h) Biological assets**

Biological assets are measured at fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological asset), except for the case where the fair value cannot be measured reliably, there are measured at cost less accumulated depreciation and accumulated impairment losses. Gains or losses on changes in fair value less costs to sell are recognized in profit or loss.

**(i) Investment property**

Investment properties are properties which are held as right-of-use assets, as well as properties that are owned by the Group. Investment properties are held to earn rental income, or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

## **SCG Packaging Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials, direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying assets.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is charged on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5, 20 years
Buildings and structures	5, 20 years

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of investment property are recognized in profit or loss.

#### *Reclassification to property, plant and equipment*

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

#### **(j) Property, plant and equipment**

##### *Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Any Gains or losses arising from differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognized in profit or loss.

##### *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022***Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment, including major inspections, is recognized in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is provided on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5 - 30 years
Buildings and structures	5 - 40 years
Machinery and equipment	3 - 30 years
Furniture, fixtures and office equipment	3 - 20 years
Vehicles and equipment	5 - 10 years
Bearer plant	Actual production in each month

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

**(k) Goodwill**

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any assets.

**(l) Other intangible assets***Research and development expenditure*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. The expenditure cost includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use and borrowing costs. Subsequent expenditure is capitalized only when it increases the future economic benefits.

*Other intangible assets*

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use. No amortization is provided on development cost.

The estimated useful lives are as follows:

Customer contracts and relationship	5 - 20 years
Trademark	10, 20 years
Technology licenses and patent	4, 15 years
Software licenses	3 - 10 years

Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

**(m) Leases**

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. The Group has elected not to separate non-lease components and accounted for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognized as expenses on a straight-line basis over the respective lease terms.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

Right-of-use asset is measured at cost, less any accumulated depreciation and accumulated impairment loss, and adjusted for any remeasurements of lease liability.

The cost of right-of-use asset includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs and an estimate of restoration costs, less any lease incentives received.

Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful lives of the underlying asset which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

**(n) Impairment of non-financial assets**

The carrying amounts of the Group's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group will estimate the assets' recoverable amounts. For goodwill and other intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

## SCG Packaging Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2022

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognized in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### (o) *Trade and other payables*

Trade and other payables are stated at amortized cost.

#### (p) *Employee benefits*

##### *Defined contribution plans*

Obligations for contributions to provident fund for the Group's employee are expensed in profit or loss as the related service is provided.

##### *Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. The defined benefit obligation is discounted to the present value which performed annually by a qualified actuary.

For remeasurements of the net defined benefit liability, actuarial gains or losses are recognized in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, by taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022***Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Gain or loss on remeasurements are recognized in profit or loss in the period in which they arise.

*Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits or when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(q) Provisions**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

**(r) Revenue from contracts with customers****(1) Revenue recognition**

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022***Sale of goods and rendering of services*

Revenue from sales of goods is recognized at a point in time when the Group transfers control of the goods to customers, generally on delivery of the goods to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognize revenue and cost of sale for the estimated products to be returned.

Revenue for rendering of services is recognized over time based on progress towards complete satisfaction of performance obligation or as the services are provided. The progress towards complete satisfaction is assessed based on either output or input method.

For bundled packages, the Group recognizes revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

The Group has a timing of revenue recognition mainly from sales of goods which is recognized at a point in time.

*Customer loyalty programme*

For customer loyalty programmes that the Group offers to customers, the consideration received is allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognized as contract liabilities and revenue is recognized when loyalty points are redeemed, the likelihood of the customer redeeming the loyalty points becomes remote or points expire. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points. The estimate shall be reviewed at the end of the reporting period.

*Other income*

Other income comprises dividend income, interest income and others that recognized on accrual basis except dividend income is recognized in profit or loss on the date that the Group's right to receive the dividend is established.

*Royalty fee income*

Royalty fee income is recognized over the royalty term.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022****(2) Contract assets and liabilities**

Contract assets are recognized when the Group has recognized revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration that usually occurs when the Group issues an invoice to the customer.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognized when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognizes the related revenue.

**(s) Expenses***Finance costs*

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

*Early retirement expenses*

The Group offers certain qualifiable employees the option to take early retirement from the Group. Eligible employees who accept the offer are paid a lump sum amount, which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Group records expenses on early retirement upon mutual acceptance.

**(t) Income tax**

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is recognized in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

## SCG Packaging Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2022

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### (u) Foreign currencies

##### *Foreign currency transactions*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currency transactions and measured in terms of historical cost are translated to the respective functional currencies of each entity in the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currencies at the exchange rates at the end of the reporting period.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that the fair value was determined.

Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI is recognized in other comprehensive income.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022***Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the end of the reporting period. The revenues and expenses of foreign operations are translated to Thai Baht at the average rates approximating the exchange rates at the dates of the transactions. Foreign exchange differences arising on translation are recognized in other comprehensive income, except to extent that the translation difference is allocated to non-controlling interest, accumulated and presented in other components of equity until disposal of the foreign operation.

When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation, recognized in other comprehensive income and presented in other components of equity until disposal of the foreign operation.

**(v) Financial instruments***Classification and measurement*

Debt securities issued by the Group are initially recognized when they are originated. Other financial assets and financial liabilities, except trade receivables and trade payables, are initially recognized when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value by taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognized in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL).

## SCG Packaging Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2022

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except that the financial liabilities are held for trading or derivative are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognized in profit or loss.

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognized in profit or loss. Gains and losses from changes in fair value are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognized as income in profit or loss on the date that the Group's right to receive the dividend is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Gains and losses from changes in fair value are recognized in OCI and never reclassified to profit or loss.

#### *Derecognition and offset*

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022***Derivatives*

Derivatives are recognized at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting.

*Impairment of financial assets*

The Group recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, debt investments measured at FVOCI and lease receivables.

The Group recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or trade receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is the investment grade. The Group recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

*Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

*Interest*

Interest income and expense are recognized in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to carrying amount of the financial assets after impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**(w) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group use observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received.

**(x) Business segment reporting**

Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**(y) Relating parties**

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence.

## SCG Packaging Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

#### 4 Acquisitions of business and changes in ownership interests of subsidiaries

##### Year 2022

###### *Acquisitions of business*

During 2022, the Group acquired the significant businesses as follows:

###### **(1) Peute Recycling B.V. and its subsidiaries, the Netherlands**

On 15 July 2022, SCGP Solutions (Singapore) Pte. Ltd., which is a wholly owned subsidiary of the Group, acquired 100% stake in Peute Recycling B.V. (“Peute”), a packaging materials recycling of recovered paper and plastic, registered in the Netherlands. This investment has total consideration of EUR 84.07 million or equivalent to Baht 3,104 million.

Acquisition in Peute is an expansion of business into the rapidly growing packaging material recycling business. This transaction would strengthen all levels of packaging business from raw material sources and production through to the offering of integrated packaging solutions to customers and improving sourcing capabilities.

###### **(2) Jordan Trading Inc., the United States**

On 2 September 2022, SKIC International Co., Ltd., which is a wholly owned subsidiary of the Company, acquired 90.1% stake in Jordan Trading Inc. (“Jordan”), a trader and distributor of recovered paper in the United States. This investment has total consideration of USD 1.98 million or equivalent to Baht 73 million.

Acquisition in Jordan is an expansion of business into packaging material recycling business. This investment would augment the Group with direct access to the source of high quality American Old Corrugated Containers (“AOCC”) which is key raw material that strengthen packaging paper and fiber packaging productions. Together with Peute, the addition of Jordan would also enhance sourcing capabilities and international network of recovered materials.

###### **(3) Acquisition in flexible packaging business from Cyberprint Group Co., Ltd., Thailand**

On 27 December 2022, Prepack Thailand Co., Ltd. (“Prepack”) which is a 99.8% owned subsidiary of the Company, acquired flexible packaging business from Cyberprint Group Co., Ltd. (“Cyber”), a multi-type printing and packaging service provider in Thailand. This investment has total consideration of Baht 340 million.

Along with the business acquisition, this will increase current flexible packaging production capacity and enhance customer segments in pet food and health supplements products of Prepack. Moreover, the new capacity would also lead to cost-saving opportunities via co-sourcing of raw materials and improved economies of scale. This acquisition is part of SCGP’s medium-term strategic objectives to strengthen the packaging solutions business in ASEAN.

## SCG Packaging Public Company Limited and its Subsidiaries

### Notes to the financial statements

### For the year ended 31 December 2022

According to the above acquisitions, the Group has engaged an independent appraiser to determine the fair values of net assets and liabilities acquired. As at 31 December 2022, the determination of the fair values has been completed and the carrying amount of the assets acquired and liabilities assumed were recorded accordingly.

Assets acquired and liabilities assumed at the acquisition date were as follows:

	<i>Note</i>	<b>Fair Value</b>			
		<b>Peute</b>	<b>Jordan</b>	<b>Cyber</b>	
		<i>(in million Baht)</i>			
Cash and cash equivalents		230	11	-	241
Trade and other current receivables		1,976	60	-	2,036
Inventories		54	1	35	90
Property, plant and equipment		307	5	273	585
Intangible assets	12	1,448	-	-	1,448
Other non-current assets		8	-	6	14
Trade and other current payables		(1,547)	(33)	-	(1,580)
Interest-bearing liabilities		(74)	(5)	-	(79)
Other current liabilities		(146)	-	-	(146)
Deferred tax liabilities		(397)	-	-	(397)
<b>Net identifiable assets and liabilities</b>		<b>1,859</b>	<b>39</b>	<b>314</b>	<b>2,212</b>
Less non-controlling interests		-	(4)	-	(4)
<b>Recognized value of net assets acquired</b>		<b>1,859</b>	<b>35</b>	<b>314</b>	<b>2,208</b>
Goodwill from business acquisition	12	1,245	38	26	1,309
<b>Total consideration transferred</b>		<b>3,104</b>	<b>73</b>	<b>340</b>	<b>3,517</b>
Cash acquired					(241)
<b>Total consideration transferred - net</b>					<b>3,276</b>

The assets, liabilities, and operating results of these subsidiaries have been included in the Group's consolidated financial statements for the period ended 31 December 2022 since the acquisition date with total revenue from sales of Baht 4,814 million and profit for period of Baht 51 million. Revenue from sales of these subsidiaries since 1 January 2022 to the acquisition date amounting to Baht 8,715 million and profit for period amounted to Baht 71 million.

The Group incurred acquisition costs totaling Baht 84 million which have been included in administrative expenses in the consolidated income statement.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

Besides the acquisitions during 2022 as above, the Group had significant transactions related to the business acquisitions in 2021 as follows;

In the first quarter of 2022, the determination of the fair values of assets acquired and liabilities assumed from acquisition of Deltalab, S.L. (“Deltalab”), Spain, has been completed. The Group recorded the fair value of the assets acquired and liabilities assumed accordingly, mainly from an increase of other intangible assets of Baht 2,105 million, and recognized a decrease in goodwill of Baht 1,770 million. This adjustment is in accordance with the accounting adjustment condition for business acquisition.

In the second quarter of 2022, the Group has reached a final agreement with the former shareholder of Duy Tan Plastics Manufacturing Corporation Joint Stock Company (“Duy Tan”), Vietnam, to pay the remaining amount of VND 2,340 billion or equivalent to Baht 3,527 million. This resulted in an increase in the remaining of the provision of contingent consideration by VND 394 billion or equivalent to Baht 582 million, which consists of the recognition an increase of goodwill of Baht 195 million and loss from estimate adjustment of Baht 387 million which presented in administrative expenses in the consolidated income statement. In July 2022, the Group has already paid the remaining amount to the former shareholder.

# SCG Packaging Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2022

#### Year 2021

##### (a) *Acquisitions of business*

During 2021, the Group acquired significant businesses as follows:

###### **(1) Go-Pak UK Limited and its Subsidiaries, United Kingdom**

On 12 January 2021, SCGP Solutions (Singapore) Pte. Ltd., which is a wholly owned subsidiary of the Company, acquired 100% stake in Go-Pak UK Limited (“Go-Pak”), one of leading foodservice packaging solution providers in the UK, Europe and North America. This agreement has total consideration of approximately GBP 133.6 million or equivalent to Baht 5,449 million. The payment has divided by the first payment of GBP 77.5 million or equivalent to Baht 3,161 million and the remaining payment will be based on the Go-Pak’s incremental financial performance in 2021 and 2022. In the third quarter of 2021, the Group paid the second payment to the former shareholders of Go-Pak in the amount of GBP 29.9 million or equivalent to Baht 1,358 million. Subsequently, in the fourth quarter of 2021, the Group has decreased provision of remaining contingent consideration amounting to GBP 26.2 million or equivalent to Baht 1,183 million in accordance with condition in specified agreement. The Group has recognized gain from this transaction by presenting in other income in the consolidated income statement.

Obtaining control in Go-Pak further reinforces the Group to expand SCGP’s foodservice packaging business and elevates its consumer platform, while giving access to customer base in UK, Europe and North America. This will also broaden SCGP’s total packaging solutions and strengthen its production and distribution capabilities to grow the ASEAN market.

###### **(2) Duy Tan Plastics Manufacturing Corporation Joint Stock Company and its Subsidiaries, Vietnam**

On 23 July 2021, SCGP Rigid Packaging Solutions Pte. Ltd., which is a wholly owned subsidiary of the Company, acquired 70% stake in Duy Tan Plastics Manufacturing Corporation Joint Stock Company (“Duy Tan”), one of Vietnam’s leading producer of rigid packaging products. This agreement has total consideration of approximately VND 5,500 billion or equivalent to Baht 7,870 million. The payment is initiated by the first payment of VND 3,630 billion or equivalent to Baht 5,195 million and the remaining payment will be based on Duy Tan’s incremental financial performance in 2020 and 2021. In the fourth quarter of 2021, the Group has increased provision of contingent consideration amounting to VND 76 billion or equivalent to Baht 112 million. The Group has recognized loss on this transaction by netting and presenting in other income in the consolidated income statement.

## **SCG Packaging Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

Obtaining control in Duy Tan further reinforces the Group to expand SCGP's rigid packaging business in ASEAN and elevates the supporting for both consumer goods manufacturer and consumer in Vietnam. Duy Tan's main customers are multinational corporations and domestic consumer goods manufacturers with high growth rates. In addition, Duy Tan also manufacture branded home products, such as food wares and food containers. This expansion by merger and partnership enlarges the customer base and also synergies through the selling of related supplementary products.

#### **(3) *PT Indonesia Dirtajaya Aneka Industri Box, PT Bahana Buana Box, PT Rapipack Asritama (collectively, "Intan Group"), Indonesia***

On 13 August 2021, TCG Solutions Pte. Ltd., which is a wholly owned subsidiary of Thai Containers Group Company Limited (or "TCG"), a 70:30 joint venture between the Company and Rengo Company Limited in Japan, acquired 75% stake in PT Indonesia Dirtajaya Aneka Industri Box, PT Bahana Buana Box and PT Rapipack Asritama (collectively, "Intan Group"), the corrugated container producers in Indonesia. This agreement has total consideration of approximately Rupiah 856 billion or equivalent to Baht 1,978 million. The payment has divided by the first payment of Rupiah 822 billion or equivalent to Baht 1,897 million and the remaining payment will be based on the Intan Group's incremental financial performance in 2022 and 2023.

Intan Group is one of Indonesia's leading corrugated container producers and operates in 4 strategic locations namely Surabaya in East Java, Semarang in Central Java, Bekasi in West Java, and Minahasa in North Sulawesi. Intan Group's main customers are multinational companies and local brand owners in the food, beverage and consumer segments. The acquisition of Intan Group is to expand SCGP's fiber-based packaging business across Indonesia, enhancing SCGP's capability to serve customers, and also increases the proportion of vertical integration (Internal Integration) with the packaging paper mill PT Fajar Surya Wisesa Tbk.

#### **(4) *Deltalab Global S.L and its Subsidiaries, Spain***

On 9 December 2021, International Healthcare Packaging Company Limited, which is a wholly owned subsidiary of the Company, acquired 85% stake in Deltalab, S.L. ("Deltalab"), a specialized manufacturer and distributor of high-quality medical supplies and labware registered in Spain. This agreement has total consideration of approximately EUR 86.4 million or equivalent to Baht 3,307 million.

Acquisition in Deltalab is an expansion of business into the medical supplies and labware market. It will elevate the Group's customers and products portfolio in respond to a growth in the hygiene and healthcare industry, as well as enriching its global services capabilities and adding synergy to its related production. Currently, the Group introduces the products in forms of packaging for transportation, product packaging and display packaging. It is also an essential foundation for the Group's future expansions of healthcare and medical supplies industry in Asia Pacific.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

Assets acquired and liabilities assumed at the acquisition date were as follows:

	<i>Note</i>	<b>Fair Value</b>				<b>Total</b>
		<b>Go-Pak</b>	<b>Duy Tan</b>	<b>Intan Group</b>	<b>Deltalab</b>	
		<i>(in million Baht)</i>				
Cash and cash equivalents		479	283	35	243	1,040
Trade and other current receivables		290	1,204	699	571	2,764
Inventories		431	1,824	344	356	2,955
Property, plant and equipment	10	595	4,743	1,698	154	7,190
Intangible assets	12	2,263	4,497	-	34	6,794
Other non-current receivables		5	35	18	40	98
Trade and other current payables		(208)	(1,168)	(733)	(370)	(2,479)
Interest-bearing liabilities	15	(357)	(2,861)	(585)	(594)	(4,397)
Other current liabilities		(49)	(37)	(9)	(59)	(154)
Deferred tax liabilities	13	(444)	(1,149)	(28)	-	(1,621)
Other non-current liabilities		-	(49)	(89)	(68)	(206)
<b>Net identifiable assets and liabilities</b>		<b>3,005</b>	<b>7,322</b>	<b>1,350</b>	<b>307</b>	<b>11,984</b>
<i>Less</i> non-controlling interests		-	(2,196)	(338)	(46)	(2,580)
<b>Recognized value of net assets acquired</b>		<b>3,005</b>	<b>5,126</b>	<b>1,012</b>	<b>261</b>	<b>9,404</b>
Goodwill from business acquisition	12	2,444	2,744	966	3,046	9,200
<b>Total consideration transferred</b>		<b>5,449</b>	<b>7,870</b>	<b>1,978</b>	<b>3,307</b>	<b>18,604</b>
Cash acquired						(1,040)
<b>Total consideration transferred - net</b>						<b>17,564</b>

Consideration transferred includes cash in escrow account amounting to Baht 380 million, which will be released when certain conditions are met within 5 years from the acquisition date; and contingent consideration which is based on the incremental financial performance recognized at fair value at the acquisition date and classified as a level 3 fair value (see note 25).

The Group incurred acquisition costs totaling Baht 362 million which have been included in administrative expenses in the consolidated income statement.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022****(b) Change in ownership interests in subsidiaries**

In the third quarter of 2021, the Group increased its interest in Vexcel Pack Co., Ltd. (Formerly: Visy Packaging (Thailand) Limited) from 80% to 100% and its interest in Precision Print Co., Ltd. from 75% to 100% totaling Baht 1,410 million.

The following summarizes the effect of the change in the Group's ownership interests:

	<i>(in million Baht)</i>
Carrying amount of non-controlling interests acquired	414
<i>Less</i> Consideration paid to non-controlling interests	<u>(1,410)</u>
<b>Increase in other deficits</b>	<b><u>(996)</u></b>

# SCG Packaging Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2022

#### 5 Related parties

Relationships with related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Siam Toppan Packaging Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Siam Nippon Industrial Paper Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Sahagreen Forest Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Packworks Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
P&S Holdings Corporation	Philippines	An associate of SCG Packaging Public Company Limited
ReUse SAS	France	An associate of SCG Packaging Public Company Limited
SCG Cement Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Ta Luang) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Kaeng Khoi) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Thung Song) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Refractory Industry Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCI Eco Services Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Siam Fibre Cement Group Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Fibre-Cement Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Ceramics Public Company Limited	Thailand	A subsidiary of the Siam Cement Public Company Limited
Sosuco Ceramic Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SUSUNN Smart Solution Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG International Corporation Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Chemicals Public Company Limited	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Plastics Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Performance Chemicals Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Rayong Olefins Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Nawaplastic Industries Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Thai Polyethylene Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Map Ta Phut Olefins Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Rayong Engineering & Plant Service Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Legal Counsel Limited	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
PT Siam-Indo Gypsum Industry	Indonesia	A subsidiary of the Siam Cement Public Company Limited

## SCG Packaging Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

Name of entities	Country of incorporation / nationality	Nature of relationships
PT SCG International Indonesia	Indonesia	A subsidiary of the Siam Cement Public Company Limited
PT SCG Barito Logistics	Indonesia	A subsidiary of the Siam Cement Public Company Limited
Prime Trading, Import and Export One Member Limited Liability Company	Vietnam	A subsidiary of the Siam Cement Public Company Limited
SCG International Vietnam Co., Ltd.	Vietnam	A subsidiary of the Siam Cement Public Company Limited
SCG International (Philippines) Corporation Co., Ltd	Philippines	A subsidiary of the Siam Cement Public Company Limited
SCG International USA Inc.	The United States	A subsidiary of the Siam Cement Public Company Limited
SCG International Australia Pty. Ltd.	Australia	A subsidiary of the Siam Cement Public Company Limited
SCG International Hong Kong Limited	China	A subsidiary of the Siam Cement Public Company Limited
SCG International Middle East DMCC	The United Arab Emirates	A subsidiary of the Siam Cement Public Company Limited
SCG International Middle East Trading L.L.C	The United Arab Emirates	A subsidiary of the Siam Cement Public Company Limited
Long Son Petrochemicals Co., Ltd.	Vietnam	A subsidiary of the Siam Cement Public Company Limited
The Siam Gypsum Industry (Saraburi) Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
The Siam Gypsum Industry (Songkhla) Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
Siam Tohcello Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
Thai MFC Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
Siam Polyethylene Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
Siam Synthetic Latex Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
Siam Kubota Corporation Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
Green Siam Resources Corporation	Philippines	An associate of the Siam Cement Public Company Limited
Nippon Paper Industries Co., Ltd.	Japan	Common directors with Phoenix Pulp & Paper Public Company Limited
Rengo Co., Ltd.	Japan	Common directors with Thai Containers Group Co., Ltd.
Asia Cement Public Company Limited	Thailand	Common directors with The Siam Cement Public Company Limited
SCG Foundation	Thailand	Common directors with The Siam Cement Public Company Limited

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

Significant transactions with related parties for the year ended 31 December and the pricing policies are summarized as follows:

	2022	2021	Pricing policies
	<i>(in thousand Baht)</i>		
<i>Parent</i>			
Revenue	5,279	6,800	Market price
Service fee	833,227	851,582	Cost plus margin method comparable
<i>Associates</i>			
Revenue	554,092	439,889	Market price
Dividends income	10,862	14,397	Upon declaration
Purchases	341,975	257,198	Market price
<i>Others</i>			
Revenue	8,167,566	6,409,186	Market price
Purchases	10,321,189	8,718,272	Market price
Service fee	3,068,514	3,006,406	Market price and contract rate

Balances as at 31 December with related parties were as follows:

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Trade receivables</i>		
Parent	886	159
Associates	62,563	56,613
Others	864,522	1,126,461
<b>Total</b>	<b>927,971</b>	<b>1,183,233</b>
<i>Other current receivables</i>		
Parent	55,336	58,441
Associates	50,089	41,177
Others	16,044	27,068
<b>Total</b>	<b>121,469</b>	<b>126,686</b>
<i>Other non-current receivables</i>		
Parent	116,846	163,693
Associate	113,473	120,118
<b>Total</b>	<b>230,319</b>	<b>283,811</b>

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Trade payables</i>		
Associate	39,019	29,511
Others	1,227,599	1,346,290
<b>Total</b>	<b>1,266,618</b>	<b>1,375,801</b>
<i>Other current payables</i>		
Parent	63,567	85,467
Associates	1,637	8,549
Others	118,308	39,487
<b>Total</b>	<b>183,512</b>	<b>133,503</b>
<i>Lease liabilities</i>		
<i>Current and non-current portion</i>		
Parent	86,505	120,409
Associates	100,728	106,831
Others	232,804	240,667
<b>Total</b>	<b>420,037</b>	<b>467,907</b>

***The Board of Directors and key management compensation***

	2022	2021
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Short-term employee benefits	131,992	114,077
Post-employment benefits	9,284	8,895
<b>Total</b>	<b>141,276</b>	<b>122,972</b>

The Board of Directors and key management compensation comprises the remuneration paid to the directors of SCG Packaging Public Company Limited under the articles of the Company and the remuneration paid to the management as staff expenses in terms of salary, bonus, special remuneration benefit, others and contribution to defined contribution plans.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**6 Cash and cash equivalents**

	2022 (in thousand Baht)	2021
Cash on hand and at banks	9,176,310	3,667,833
Highly liquid short-term investments	789,623	3,642,479
<b>Total</b>	<b><u>9,965,933</u></b>	<b><u>7,310,312</u></b>

**7 Trade receivables**

	Note <i>(in thousand Baht)</i>	2022	2021
<i>At 31 December</i>			
<i>Trade receivables</i>			
<b>Related parties</b>			
Within credit terms		872,597	1,155,089
Overdue:			
Less than 1 month		23,228	19,794
1 - 3 months		31,905	1,578
Over 3 - 12 months		241	6,772
<b>Total</b>	<b>5</b>	<b><u>927,971</u></b>	<b><u>1,183,233</u></b>
<b>Other companies</b>			
Within credit terms		17,054,979	18,694,131
Overdue:			
Less than 1 month		1,639,462	1,872,669
1 - 3 months		664,537	573,732
Over 3 - 12 months		163,919	87,562
Over 12 months		180,470	163,703
		<b><u>19,703,367</u></b>	<b><u>21,391,797</u></b>
<i>Less allowance for expected credit loss</i>		<i>(180,262)</i>	<i>(161,886)</i>
<b>Net</b>		<b><u>19,523,105</u></b>	<b><u>21,229,911</u></b>
<b>Total</b>		<b><u>20,451,076</u></b>	<b><u>22,413,144</u></b>

The normal credit term granted by the Group is 30 - 90 days.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Allowance for expected credit loss</i></b>		
At 1 January	161,886	167,242
Acquisitions through business combinations	8,098	77,811
Addition	20,941	7,359
Reversal	(10,119)	(73,465)
Write-off	(273)	(18,041)
Currency translation differences	(271)	980
<b>At 31 December</b>	<b>180,262</b>	<b>161,886</b>

**8 Inventories**

	2022	2021
	<i>(in thousand Baht)</i>	
<b>Finished goods</b>		
Work in progress	7,464,774	5,844,942
Raw materials	1,191,122	1,175,268
Spare parts, stores, supplies and others	9,268,942	10,186,929
Goods in transit	4,130,713	3,735,590
<b>Total</b>	<b>23,714,712</b>	<b>23,655,713</b>
Less allowance for decline in value	(433,913)	(347,788)
<b>Net</b>	<b>23,280,799</b>	<b>23,307,925</b>
Cost of inventories recognized as an expense in cost of sales		
Write-down to net realizable value	121,532,665	101,218,274
Reversal of write-down	739,428	785,245
	(581,656)	(704,157)
Changes in finished goods and work in progress	(1,635,686)	(2,756,032)
Raw materials and supplies used	69,016,738	56,967,278

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**9 Investments in associates**

Movements for the years ended 31 December in investments in associates accounted for using the equity method were as follows:

	2022 (in thousand Baht)	2021
At 1 January	873,034	822,620
Acquisitions through business combinations	7,954	-
Increase in investment	106,733	-
Share of net profit of investments - equity method	54,819	57,226
Share of other comprehensive income of investment		
- equity method	2,654	7,585
Dividend income	<u>(10,862)</u>	<u>(14,397)</u>
<b>At 31 December</b>	<b>1,034,332</b>	<b>873,034</b>

Investments in associates as at 31 December and dividends from these investments for the years ended at the same date were as follows:

	Total direct/ indirect		Paid-up capital		Cost method		Equity method		Dividend income		
	holding		2022	2021	2022	2021	2022	2021	2022	2021	
		(%)	(in thousand Baht)								
<b>Associates</b>											
Siam Toppan	Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	499,936	457,756	8,012	8,697
Siam Nippon	Industrial Paper Co., Ltd.	31	31	1,100,000	1,100,000	495,000	495,000	341,221	337,209	-	-
	Packworks Co., Ltd.	28	-	1,837	-	106,733	-	105,489	-	-	-
	Saha Green Forest Co., Ltd.	17	17	190,000	190,000	47,500	47,500	79,732	78,069	2,850	5,700
	ReUse SAS	45	-	3,673	-	2,909	-	7,954	-	-	-
	P&S Holdings Corporation	40	40	<u>262,588</u>	<u>262,588</u>	<u>105,121</u>	<u>105,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total</b>			<b><u>2,058,098</u></b>	<b><u>2,052,588</u></b>	<b><u>1,002,263</u></b>	<b><u>892,621</u></b>	<b><u>1,034,332</u></b>	<b><u>873,034</u></b>	<b><u>10,862</u></b>	<b><u>14,397</u></b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**10 Property, plant and equipment**

	Land and land improvements	Buildings and structures	Machinery and equipment	fixtures and office equipment	Vehicles and equipment	Furniture, Construction in progress	Bearer plant	Total
<i>(in thousand Baht)</i>								
<b><i>Cost</i></b>								
At 1 January 2021	8,941,346	21,973,689	146,569,918	2,169,653	1,230,151	10,035,861	46,932	190,967,550
Acquisitions through business combinations <i>(see note 4)</i>	1,820,237	1,720,475	2,998,041	45,698	203,392	570,646	-	7,358,489
Additions	222,510	218,363	1,267,489	81,681	289,719	5,367,646	6,966	7,454,374
Disposals/written off	(8,406)	(74,537)	(549,643)	(29,588)	(172,561)	(16,345)	(11,822)	(862,902)
Transfer to investment property	-	(4,673)	-	-	-	-	-	(4,673)
Transfers in (out)	100,668	1,230,302	5,441,694	61,642	30,368	(6,850,226)	1,931	16,379
Currency translation differences	478,396	624,188	3,999,898	26,599	40,182	493,214	-	5,662,477
<b>At 31 December 2021</b>	<b>11,554,751</b>	<b>25,687,807</b>	<b>159,727,397</b>	<b>2,355,685</b>	<b>1,621,251</b>	<b>9,600,796</b>	<b>44,007</b>	<b>210,591,694</b>
Acquisitions through business combinations <i>(see note 4)</i>	65,066	230,938	527,324	17,952	107,872	-	-	949,152
Additions	154,920	760,293	1,974,127	161,779	335,379	4,154,618	-	7,541,116
Disposals/written off	(22,012)	(186,740)	(3,454,917)	(182,477)	(343,049)	(5,231)	-	(4,194,426)
Transfer to investment property	(5,068)	(1,820)	-	-	-	-	-	(6,888)
Transfers in (out)	203,380	2,126,820	6,138,304	49,633	33,651	(8,549,423)	842	3,207
Currency translation differences	(300,222)	(285,947)	(2,028,295)	(18,042)	(15,862)	(307,947)	-	(2,956,315)
<b>At 31 December 2022</b>	<b>11,650,815</b>	<b>28,331,351</b>	<b>162,883,940</b>	<b>2,384,530</b>	<b>1,739,242</b>	<b>4,892,813</b>	<b>44,849</b>	<b>211,927,540</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2022**

	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles and equipment	Construction in progress	Bearer plant	Total
<i>(in thousand Baht)</i>								
<i>Accumulated depreciation and accumulated impairment losses</i>								
At 1 January 2021	1,422,027	11,516,060	88,257,396	1,769,398	721,388	2,590	7,404	103,696,263
Depreciation charge for the year	202,232	1,023,873	6,241,657	162,276	286,005	-	2,197	7,918,240
Impairment losses (reversal)	(67)	27,226	105,086	104	-	-	-	132,349
Disposals/written off	(11,132)	(66,070)	(238,469)	(25,376)	(120,939)	(2,590)	(6,225)	(470,801)
Transfer to investment property	-	(4,673)	-	-	-	-	-	(4,673)
Transfers in (out)	42,277	54,491	(43,950)	3,342	46,187	-	-	102,347
Currency translation differences	(48,044)	46,428	2,050,515	17,129	(29,298)	-	-	2,036,730
<b>At 31 December 2021</b>	<b>1,607,293</b>	<b>12,597,335</b>	<b>96,372,235</b>	<b>1,926,873</b>	<b>903,343</b>	<b>-</b>	<b>3,376</b>	<b>113,410,455</b>
Depreciation charge for the year	240,251	1,291,034	6,848,051	176,467	306,898	-	3,242	8,865,943
Reversal of impairment losses	-	(10,896)	(107)	(12)	-	-	-	(11,015)
Disposals/written off	(18,370)	(145,671)	(3,326,488)	(182,141)	(280,093)	-	(29)	(3,952,792)
Transfers in (out)	1,156	44,109	10,964	8,149	26,231	-	-	90,609
Currency translation differences	(7,005)	(133,725)	(889,543)	(15,341)	(15,251)	-	-	(1,060,865)
<b>At 31 December 2022</b>	<b>1,823,325</b>	<b>13,642,186</b>	<b>99,015,112</b>	<b>1,913,995</b>	<b>941,128</b>	<b>-</b>	<b>6,589</b>	<b>117,342,335</b>
<i>Net book value</i>								
<b>At 31 December 2021</b>								
Owned assets	7,929,836	11,859,892	63,219,437	385,636	311,884	9,600,796	40,631	93,348,112
Right-of-use assets	2,017,622	1,230,580	135,725	43,176	406,024	-	-	3,833,127
	<b>9,947,458</b>	<b>13,090,472</b>	<b>63,355,162</b>	<b>428,812</b>	<b>717,908</b>	<b>9,600,796</b>	<b>40,631</b>	<b>97,181,239</b>
<b>At 31 December 2022</b>								
Owned assets	7,835,211	13,322,606	63,750,922	378,951	354,144	4,892,813	38,260	90,572,907
Right-of-use assets	1,992,279	1,366,559	117,906	91,584	443,970	-	-	4,012,298
	<b>9,827,490</b>	<b>14,689,165</b>	<b>63,868,828</b>	<b>470,535</b>	<b>798,114</b>	<b>4,892,813</b>	<b>38,260</b>	<b>94,585,205</b>

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In 2022, the right-of-use assets of the Group has increased amounting to Baht 969 million (*2021: Baht 635 million*) and the Group capitalized borrowing costs relating to the acquisition of the property, plant and equipment as part of the cost of construction in progress, amounting to Baht 32 million (*2021: Baht 44 million*), rates of interest capitalized at 0.70% to 2.70% per annum (*2021: 0.66% to 4.90% per annum*).

**11 Leases**

The Group leases land, buildings, vehicles and equipment both in Thailand and overseas. The rental due and rate are as specified in the contract.

<i>For the years ended 31 December</i>	<i>2022</i>	<i>2021</i>		
	<i>(in thousand Baht)</i>			
<b><i>Amounts recognized in profit or loss</i></b>				
Depreciation of right-of-use assets:				
- Land and land improvements	134,149	65,417		
- Buildings and structures	342,730	233,538		
- Vehicles and equipment	210,909	219,472		
- Others	66,015	76,868		
Interest on lease liabilities	99,100	93,720		
Expenses relating to short-term leases	224,956	200,090		
Expenses relating to leases of low-value assets	75,432	56,641		

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**12 Goodwill and other intangible assets**

	Goodwill	Other intangible assets				<i>(in thousand Baht)</i>
		Customer contracts and relationship	Trademark copyright and patent	Software licenses and others	Total other intangible assets	
<b><i>Cost</i></b>						
At 1 January 2021	18,623,670	153,597	374,341	1,336,185	1,864,123	
Acquisition through business combinations (see note 4)	9,072,041	4,578,688	2,082,438	133,298	6,794,424	
Additions	-	-	-	202,736	202,736	
Disposals/written off	-	-	-	(17,795)	(17,795)	
Transfers in (out)	-	-	-	30,792	30,792	
Currency translation differences	1,787,047	276,946	65,361	17,163	359,470	
<b>At 31 December 2021</b>	<b>29,482,758</b>	<b>5,009,231</b>	<b>2,522,140</b>	<b>1,702,379</b>	<b>9,233,750</b>	
Acquisition through business combinations (see note 4)	(173,993)	2,376,940	1,169,304	5,081	3,551,325	
Additions	-	-	-	290,963	290,963	
Disposals/written off	-	-	-	(34,629)	(34,629)	
Transfers in (out)	-	-	-	24,765	24,765	
Currency translation differences	(1,075,526)	(224,080)	(23,026)	206	(246,900)	
<b>At 31 December 2022</b>	<b>28,233,239</b>	<b>7,162,091</b>	<b>3,668,418</b>	<b>1,988,765</b>	<b>12,819,274</b>	
<b><i>Accumulated amortization</i></b>						
At 1 January 2021	-	74,253	33,275	944,024	1,051,552	
Amortization charge for the year	-	213,904	107,423	108,947	430,274	
Disposals/written off	-	-	-	(11,882)	(11,882)	
Currency translation differences	-	1,369	39	12,396	13,804	
<b>At 31 December 2021</b>	<b>-</b>	<b>289,526</b>	<b>140,737</b>	<b>1,053,485</b>	<b>1,483,748</b>	
Amortization charge for the year	-	459,886	219,669	145,783	825,338	
Disposals/written off	-	-	-	(33,260)	(33,260)	
Currency translation differences	-	(15,291)	(5,827)	(9,373)	(30,491)	
<b>At 31 December 2022</b>	<b>-</b>	<b>734,121</b>	<b>354,579</b>	<b>1,156,635</b>	<b>2,245,335</b>	
<b><i>Carrying amount</i></b>						
<b>At 31 December 2021</b>	<b>29,482,758</b>	<b>4,719,705</b>	<b>2,381,403</b>	<b>648,894</b>	<b>7,750,002</b>	
<b>At 31 December 2022</b>	<b>28,233,239</b>	<b>6,427,970</b>	<b>3,313,839</b>	<b>832,130</b>	<b>10,573,939</b>	

**SCG Packaging Public Company Limited and its Subsidiaries**  
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Amortization expenses of other intangible assets are included in cost of sales, distribution costs and administrative expenses in the consolidated income statement.

For the purpose of impairment testing of goodwill of the Group, the recoverable amount was based on value in use, determined by discounting the future cash flows. The Group determined 5-year cash flows forecasts, terminal thereafter and discount rates from weighted average cost of capital of the Group, which were based on estimate and judgments of the management and considering historical data from both external and internal sources. The key assumptions used in the estimation of recoverable amount were discount rates, ranging from 5.38% to 7.87% (2021: 3.08% to 5.94%).

**13 Deferred tax assets (deferred tax liabilities)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the consolidated statements of financial position as follows:

	2022 <i>(in thousand Baht)</i>	2021
Deferred tax assets	852,115	920,301
Deferred tax liabilities	(5,322,691)	(4,491,388)
<b>Net</b>	<b><u>(4,470,576)</u></b>	<b><u>(3,571,087)</u></b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
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Movements in total deferred tax assets and liabilities during the year were as follows:

	Credited (charged) to					
	At 1 January 2021	other		Increase		
		profit or loss (Note 22)	comprehensive income	through business combinations	Currency translation differences	At 31 December 2021
<i>(in thousand Baht)</i>						
<b>Deferred tax assets</b>						
Loss carry forward	498,231	(91,239)	-	-	15,272	422,264
Investment	32,022	24,227	-	-	-	56,249
Trade receivables	28,352	(13,480)	-	12,034	442	27,348
Inventories	85,630	(7,151)	-	-	496	78,975
Property, plant and equipment	30,485	(11,257)	-	5,303	339	24,870
Provisions for employee benefits	723,359	57,368	(26,160)	23,665	18,146	796,378
Others	19,021	5,209	-	34,934	939	60,103
<b>Total</b>	<b>1,417,100</b>	<b>(36,323)</b>	<b>(26,160)</b>	<b>75,936</b>	<b>35,634</b>	<b>1,466,187</b>
<b>Deferred tax liabilities</b>						
Property, plant and equipment	2,749,977	217,341	-	334,803	236,524	3,538,645
Intangible assets	89,437	(45,090)	-	1,311,188	92,028	1,447,563
Others	9,743	23,312	-	14,503	3,508	51,066
<b>Total</b>	<b>2,849,157</b>	<b>195,563</b>	<b>-</b>	<b>1,660,494</b>	<b>332,060</b>	<b>5,037,274</b>
<b>Net</b>	<b>(1,432,057)</b>	<b>(231,886)</b>	<b>(26,160)</b>	<b>(1,584,558)</b>	<b>(296,426)</b>	<b>(3,571,087)</b>

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

	Credited (charged) to					
	At 1 January 2022	profit or loss <i>(Note 22)</i>	other	Increase through business combinations	Currency translation differences	At 31 December 2022
			comprehensive income			
<i>(in thousand Baht)</i>						
<b>Deferred tax assets</b>						
Loss carry forward	422,264	(13,511)	-	-	(23,098)	385,655
Investment	56,249	(25,177)	-	-	(20)	31,052
Trade receivables	27,348	2,868	-	-	(189)	30,027
Inventories	78,975	24,339	-	-	(652)	102,662
Property, plant and equipment	24,870	12,307	-	13,296	(2,132)	48,341
Provisions for employee benefits	796,378	(10,514)	(65,361)	19,673	(14,670)	725,506
Others	60,103	1,040	-	-	(453)	60,690
<b>Total</b>	<b>1,466,187</b>	<b>(8,648)</b>	<b>(65,361)</b>	<b>32,969</b>	<b>(41,214)</b>	<b>1,383,933</b>
<b>Deferred tax liabilities</b>						
Property, plant and equipment	3,538,645	(19,575)	-	116,183	(136,585)	3,498,668
Intangible assets	1,447,563	34,659	-	898,102	(75,165)	2,305,159
Others	51,066	590	-	-	(974)	50,682
<b>Total</b>	<b>5,037,274</b>	<b>15,674</b>	<b>-</b>	<b>1,014,285</b>	<b>(212,724)</b>	<b>5,854,509</b>
<b>Net</b>	<b>(3,571,087)</b>	<b>(24,322)</b>	<b>(65,361)</b>	<b>(981,316)</b>	<b>171,510</b>	<b>(4,470,576)</b>

The United Kingdom Government announced a change in the corporate income tax rate from 19% to 25% (for the companies with profits over GBP 250,000). The change of corporate income tax rate will be effective on 1 April 2023 onwards. The Group has applied in the measurement of deferred tax assets and deferred tax liabilities, which made income tax expense increase amounting to Baht 124 million in the consolidated income statement for the year 2022.

In 2021, The Indonesian Government, through UU No. 7/2021 dated 29 October 2021 announced a change in the corporate income tax rate from 20% to 22% for accounting periods 2022 onward. The Group has applied in the measurement of deferred tax assets and deferred tax liabilities, which made income tax expense increase amounting to Baht 194 million in the consolidated income statement for the year 2021.

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The deductible temporary differences and unused tax losses that the Group have not been recognized as deferred tax assets (liabilities) are as the following items:

	2022 (in thousand Baht)	2021
Temporary differences		
- Property, plants and equipment	72,814	117,374
- Provisions for employee benefits	117,163	198,258
- Others	185,010	87,124
Unused tax losses	<u>204,294</u>	<u>766,211</u>
<b>Total</b>	<b><u>579,281</u></b>	<b><u>1,168,967</u></b>

The unused tax losses which the Group has not recognized deferred tax asset, are the tax losses which have not yet expired under tax legislation, and will expire within 2029.

#### 14 Changes in liabilities arising from financing activities

	Bank overdrafts				
	and				
	short-term borrowings	Long-term borrowings	Lease liabilities	Debentures	Total
(in thousand Baht)					
At 1 January 2021	15,080,050	28,353,807	1,493,750	-	44,927,607
Changes from financing cash flows	12,454,078	(12,334,493)	(549,444)	5,491,264	5,061,405
Leases	-	-	512,464	-	512,464
Changes arising from business					
acquisition (see note 4)	2,041,424	1,691,971	664,049	-	4,397,444
The effect of changes in					
foreign exchange rates	971,897	799,581	77,145	-	1,848,623
Other non-cash movement	-	24,801	(2,889)	1,787	23,699
<b>At 31 December 2021</b>	<b>30,547,449</b>	<b>18,535,667</b>	<b>2,195,075</b>	<b>5,493,051</b>	<b>56,771,242</b>
Changes from financing cash flows	(14,047,168)	(2,580,001)	(625,861)	9,988,040	(7,264,990)
Leases	-	-	897,661	-	897,661
Changes arising from business					
acquisition (see note 4)	-	-	78,921	-	78,921
The effect of changes in					
foreign exchange rates	(345,141)	59,912	(37,991)	-	(323,220)
Other non-cash movement	-	5,841	-	3,512	9,353
<b>At 31 December 2022</b>	<b>16,155,140</b>	<b>16,021,419</b>	<b>2,507,805</b>	<b>15,484,603</b>	<b>50,168,967</b>

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022****15 Interest-bearing liabilities**

	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Current</i></b>		
Bank overdrafts and short-term borrowings		
from financial institutions		
- Unsecured	16,155,140	30,547,449
Current portion of long-term borrowings		
from financial institution		
- Secured	-	106,361
- Unsecured	1,570,769	1,758,572
	<b>1,570,769</b>	<b>1,864,933</b>
Current portion of lease liabilities	587,166	476,647
<b>Total</b>	<b>18,313,075</b>	<b>32,889,029</b>
 <b><i>Non-current</i></b>		
Long-term borrowings from financial institutions		
- Secured	-	202,090
- Unsecured	14,450,650	16,468,644
	<b>14,450,650</b>	<b>16,670,734</b>
Lease liabilities	1,920,639	1,718,428
Debenture	15,484,603	5,493,051
<b>Total</b>	<b>31,855,892</b>	<b>23,882,213</b>
<b>Total interest-bearing liabilities</b>	<b>50,168,967</b>	<b>56,771,242</b>

As at 31 December 2022, bank overdrafts and short-term borrowings from financial institutions of the Group has an average interest rate from 0.85% to 8.35% per annum (2021: 0.55% to 5.45% per annum) and long-term borrowings from financial institutions of the Group has an average interest rate from 0.75% to 9.31 % per annum (2021: 0.75% to 8.50 % per annum).

The collateral of the secured long-term borrowings from the business acquisition during 2021 in Vietnam as at 31 December 2021 consists of property, plant and equipment with a carrying amount of Baht 963 million and the Group has to comply with certain covenants. During 2022, the subsidiary has been settled all borrowings and released all collaterals.

On 24 September 2021, the Company had entered into a long-term loan agreement with a financial institution amounting to Baht 5,000 million. This long-term loan is the 4-year Sustainability-Linked Loan (or SLL) with fixed interest rate and the interest rates will be adjusted down in line with operational achievements of Sustainability Performance Targets (or SPTs) according to the agreement. As at 31 December 2021, the Group has already withdrawn all loan.

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***Debenture***

As at 31 December 2022, the Company has unsubordinated and unsecured debentures totaling Baht 15,500 million (*2021: Baht 5,500 million*) as follows:

Debentures no.	2022 (in thousand Baht)	2021 (in thousand Baht)	Interest rate (% p.a.)	Term	Maturity date
1/2021	5,500,000	5,500,000	2.65	3 years 8 months	1 December 2024
1/2022	5,000,000	-	2.80	2 years 10 months	1 June 2025
2/2022	5,000,000	-	3.50	4 years	1 December 2026
Total	15,500,000	5,500,000			
<i>Less</i> debentures					
issuing expenses	(15,397)	(6,949)			
<b>Net</b>	<b>15,484,603</b>	<b>5,493,051</b>			

**16 Non-current provisions for employee benefits**

The Group operates defined benefit plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, current risk, interest rate risk and market (investment) risk.

*Non-current provisions for employee benefits in consolidated statement of financial position as at 31 December*

	2022 (in thousand Baht)	2021 (in thousand Baht)
Post-employment benefits		
Legal severance payments plan	3,476,113	3,746,316
Pension	36,631	43,573
Other long-term employee benefits	106,855	107,690
<b>Total non-current provisions for defined benefit plans</b>	<b>3,619,599</b>	<b>3,897,579</b>
Less plan assets of foreign subsidiaries	(23,781)	(19,988)
<b>Total non-current provisions for employee benefits - net</b>	<b>3,595,818</b>	<b>3,877,591</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
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*Movement in the present value of non-current provisions for defined benefits plans*

	2022	2021
	<i>(in thousand Baht)</i>	
Non-current provisions for defined benefit plans at 1 January	3,897,579	3,619,935
<b><i>Included in profit or loss</i></b>		
Current service costs	106,687	227,991
Interest on obligation	122,907	106,400
Actuarial losses (gains)	(1,539)	1,992
Others	(13,731)	-
	<b>214,324</b>	<b>336,383</b>
<b><i>Included in other comprehensive income</i></b>		
Actuarial gains	(272,673)	(137,031)
Currency translation differences	(64,933)	92,521
	<b>(337,606)</b>	<b>(44,510)</b>
<b><i>Others</i></b>		
Benefits paid	(251,121)	(153,674)
Acquisitions through business combinations	96,423	88,988
Others	-	50,457
	<b>(154,698)</b>	<b>(14,229)</b>
<b>Non-current provisions for defined benefit plans</b>		
<b>at 31 December</b>	<b>3,619,599</b>	<b>3,897,579</b>

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>For the years ended 31 December</i></b>		
Demographic assumptions	61,550	35,557
Financial assumptions	(405,285)	(177,114)
Experience adjustment	71,062	4,526
<b>Total</b>	<b>(272,673)</b>	<b>(137,031)</b>

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***Actuarial assumptions***

*Principal actuarial assumptions as of the end of the reporting period*

	2022	2021
	(%)	
Discount rate *		
- Thailand	2.32 - 3.41	1.06 - 2.55
- Vietnam	5.16	2.07
- Indonesia	6.75 - 7.40	6.60 - 7.40
- Philippines	7.30	4.00
Salary increase rate	1.00 - 7.00	1.00 - 7.46
Employee turnover rate **	2.00 - 17.00	2.00 - 18.00
Mortality rate ***	50.00, 100.00 of TMO2017	50.00, 100.00 of TMO2017

\* Market yields on government's bonds for legal severance payments plan and pension

\*\* Upon the length of service

\*\*\* Reference from TMO2017: Thai Mortality Ordinary Table 2017

As at 31 December 2022, the Group has the weighted-average duration for payment of long-term employee benefits approximately 11 to 21 years. (2021: 12 to 22 years).

***Sensitivity analysis***

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

**Effect on the non-current provisions for defined benefit plans at 31 December**

	Increase (decrease)	
	2022	2021
	<i>(in thousand Baht)</i>	
Discount rate		
0.50% increase	(120,365)	(137,602)
0.50% decrease	130,067	149,580
Salary increase rate		
1.00% increase	257,017	287,344
1.00% decrease	(224,882)	(249,176)
Employee turnover rate		
10.00% increase	(53,548)	(65,603)
10.00% decrease	55,303	68,226

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

# SCG Packaging Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2022

#### 17 Legal Reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

#### 18 Business segment information

Segment information is presented in respect of the Group’s business segments, is based on the Group’s management and internal reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

##### *Business segments*

The Group comprises the following main business segments:

<i>Integrated Packaging Business</i>	Comprise of Packaging Paper, Performance and Polymer Packaging (PPP), both flexible packaging and rigid packaging in the industries of consumer, food and beverage, and medical supplies and labware, and Fiber-Based Packaging, such as corrugated containers, retail display packaging, recycled paper bags for consumer products, and industrial bags
<i>Fibrous Business</i>	Comprise of foodservice products, printing and writing paper, and pulp products
<i>Recycling Business and Others</i>	Comprise of packaging materials recycling and holding companies

The business segment information is used by management to evaluate the performance of segments and to allocate resources. The Group evaluates operating performance based on EBITDA.

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*Information relating to business segments for years ended 31 December was as follows:*

	Integrated Packaging Business		Fibrous Business		Recycling Business and Others		Intersegment Elimination		Consolidated SCGP	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	
									2022	2021
<b><i>Information from statement of financial position</i></b>										
Current assets	44,099,250	47,856,212	10,099,245	9,312,989	47,773,773	56,478,895	(41,817,835)	(44,461,866)	60,154,433	69,186,230
Investments in associates	105,488	-	420,953	415,278	507,891	457,756	-	-	1,034,332	873,034
Investments in equity instrument	817,741	813,757	-	-	48,217,163	40,577,172	(49,023,121)	(41,383,130)	11,783	7,799
Property, plant and equipment	76,904,863	79,031,095	17,516,508	18,363,871	691,163	344,752	(527,329)	(558,479)	94,585,205	97,181,239
Others non-current assets	32,418,082	32,903,865	5,789,595	6,308,368	3,551,855	626,436	(265,639)	(263,230)	41,493,893	39,575,439
<b>Total assets</b>	<b>154,345,424</b>	<b>160,604,929</b>	<b>33,826,301</b>	<b>34,400,506</b>	<b>100,741,845</b>	<b>98,485,011</b>	<b>(91,633,924)</b>	<b>(86,666,705)</b>	<b>197,279,646</b>	<b>206,823,741</b>
Short-term borrowings	54,664,678	57,925,539	925,896	1,939,983	3,242,917	16,551,186	(40,520,416)	(43,527,679)	18,313,075	32,889,029
Other current liabilities	11,974,401	17,326,102	2,773,305	2,449,183	1,693,114	249,204	(1,275,236)	(936,339)	15,165,584	19,087,550
Long-term borrowings	5,768,905	7,733,271	1,328,069	1,398,288	25,590,925	15,594,539	(832,007)	(843,885)	31,855,892	23,882,213
Other non-current liabilities	6,948,190	7,053,880	1,091,346	1,074,915	938,819	536,210	-	-	8,978,355	8,665,005
Total liabilities	79,356,174	90,038,792	6,118,616	6,862,369	31,465,775	32,931,139	(42,627,659)	(45,308,503)	74,312,906	84,523,797
Shareholders' equity	74,989,250	70,566,137	27,707,685	27,538,137	69,276,070	65,553,872	(49,006,265)	(41,358,202)	122,966,740	122,299,944
<b>Total liabilities and shareholders' equity</b>	<b>154,345,424</b>	<b>160,604,929</b>	<b>33,826,301</b>	<b>34,400,506</b>	<b>100,741,845</b>	<b>98,485,011</b>	<b>(91,633,924)</b>	<b>(86,666,705)</b>	<b>197,279,646</b>	<b>206,823,741</b>
<b><i>Supplementary information</i></b>										
Increase in non-current assets	7,489,651	24,407,443	1,210,165	6,257,252	3,457,848	217,369	-	-	12,157,664	30,882,064

**SCG Packaging Public Company Limited and its Subsidiaries**  
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	Integrated Packaging		Fibrous Business		Recycling Business		Intersegment Elimination		Consolidated											
	Business	2022	2021	2022	2021	(in thousand Baht)	2022	2021	2022	2021										
<i>Information from income statement</i>																				
Revenue from sales																				
External customers	117,218,982	105,562,451	24,272,565	18,660,206	4,576,496	-	-	-	146,068,043	124,222,657										
Intersegment	304,908	271,420	2,655,193	1,996,047	237,526	-	(3,197,627)	(2,267,467)	-	-										
Total revenue from sales	117,523,890	105,833,871	26,927,758	20,656,253	4,814,022	-	(3,197,627)	(2,267,467)	146,068,043	124,222,657										
Cost of sales	(98,864,978)	(86,723,725)	(22,670,715)	(17,153,141)	(3,622,314)	-	3,366,851	2,532,346	(121,791,156)	(101,344,520)										
Gross profit	18,658,912	19,110,146	4,257,043	3,503,112	1,191,708	-	169,224	264,879	24,276,887	22,878,137										
Other income	1,286,740	877,414	251,055	1,513,034	6,715,299	7,025,773	(6,788,561)	(6,884,777)	1,464,533	2,531,444										
Profit before expenses	19,945,652	19,987,560	4,508,098	5,016,146	7,907,007	7,025,773	(6,619,337)	(6,619,898)	25,741,420	25,409,581										
Operating expenses	(12,646,889)	(10,129,198)	(2,562,856)	(2,537,634)	(3,702,854)	(2,210,413)	2,873,770	2,302,725	(16,038,829)	(12,574,520)										
Profit before finance cost and income tax	7,298,763	9,858,362	1,945,242	2,478,512	4,204,153	4,815,360	(3,745,567)	(4,317,173)	9,702,591	12,835,061										
Finance cost	(1,623,346)	(1,347,370)	(197,098)	(158,461)	(540,294)	(490,091)	892,615	816,004	(1,468,123)	(1,179,918)										
Profit before income tax	5,675,417	8,510,992	1,748,144	2,320,051	3,663,859	4,325,269	(2,852,952)	(3,501,169)	8,234,468	11,655,143										
Tax expense	(1,008,496)	(1,761,216)	(503,466)	(264,823)	(38,269)	(36,149)	314	(3,237)	(1,549,917)	(2,065,425)										
Profit after income tax	4,666,921	6,749,776	1,244,678	2,055,228	3,625,590	4,289,120	(2,852,638)	(3,504,406)	6,684,551	9,589,718										
Share of profit (loss) of associates accounted for using equity method	(1,245)	-	8,111	27,598	47,953	29,628	-	-	54,819	57,226										
<b>Profit for the year</b>	<b>4,665,676</b>	<b>6,749,776</b>	<b>1,252,789</b>	<b>2,082,826</b>	<b>3,673,543</b>	<b>4,318,748</b>	<b>(2,852,638)</b>	<b>(3,504,406)</b>	<b>6,739,370</b>	<b>9,646,944</b>										

**SCG Packaging Public Company Limited and its Subsidiaries**  
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	Recycling Business and Others (in thousand Baht)						Intersegment Elimination		Consolidated SCGP	
	Integrated Packaging Business		Fibrous Business		2021		2022	2021	2022	2021
	2022	2021	2022	2021	2022	2021				
<b>Profit (loss) attributable to:</b>										
<b>Owners of the Company</b>	<b>4,505,033</b>	<b>5,912,511</b>	<b>1,244,910</b>	<b>2,083,846</b>	<b>3,674,728</b>	<b>4,318,748</b>	<b>(3,624,066)</b>	<b>(4,020,738)</b>	<b>5,800,605</b>	<b>8,294,367</b>
Non-controlling interests	160,643	837,265	7,879	(1,020)	(1,185)	-	771,428	516,332	938,765	1,352,577
	<b>4,665,676</b>	<b>6,749,776</b>	<b>1,252,789</b>	<b>2,082,826</b>	<b>3,673,543</b>	<b>4,318,748</b>	<b>(2,852,638)</b>	<b>(3,504,406)</b>	<b>6,739,370</b>	<b>9,646,944</b>
Interest income	176,301	168,361	7,329	2,606	868,849	805,762	(855,392)	(780,004)	197,087	196,725
Depreciation and amortization	<b>7,429,917</b>	<b>6,219,685</b>	<b>2,121,081</b>	<b>2,047,351</b>	<b>181,136</b>	<b>82,088</b>	<b>(32,989)</b>	<b>(33,892)</b>	<b>9,699,145</b>	<b>8,315,232</b>
Other non-monetary items:										
- Loss on inventories devaluation (reversal)	207,123	70,400	(37,548)	19,420	-	-	-	-	169,575	89,820
- Loss on impairment of assets (reversal)	10,265	31,400	(17,952)	100,949	-	-	-	-	(7,687)	132,349

Revenue from sales of Integrated Packaging Business's proportion is 80% of the total revenue from sales including Packaging Paper 43%, Fiber-Based Packaging 25%, and Performance and Polymer Packaging 12%.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022*****Geographical segment***

The Group has expanded its investment and operating in foreign countries. All significant revenue from sales and non-current assets on the basis of geography is presented in this information. Segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

***Geographical segment information***

	Revenue from sales		Non-current assets	
	2022	2021	2022	2021
	(in thousand Baht)			
Thailand	59,428,510	54,131,757	52,756,830	53,290,362
Indonesia	25,186,380	24,251,480	41,497,373	43,803,741
Vietnam	21,649,533	16,737,871	20,914,415	21,997,797
China	9,499,418	10,654,125	-	-
Philippines	4,673,716	4,261,843	5,594,798	5,692,963
Netherlands	2,753,114	64,326	3,016,651	-
United Kingdom	1,872,372	1,634,860	4,686,854	5,266,897
Spain	1,668,540	228,110	3,801,295	3,201,846
Others	19,336,460	12,258,285	1,265,859	1,298,623
<b>Total</b>	<b><u>146,068,043</u></b>	<b><u>124,222,657</u></b>	<b><u>133,534,075</u></b>	<b><u>134,552,229</u></b>

***Major customer***

The Group has no revenue from one customer for the amount over 10% of the Group's total revenue from sales.

**19 Distribution costs**

	2022	2021
	(in thousand Baht)	
Freight and commission expenses	6,887,902	5,068,222
Salary, welfare and employee expenses	1,581,322	1,084,763
Sales promotion and advertising expenses	267,055	160,445
Rent, depreciation and amortization expenses	190,216	108,746
Custom, insurance expense and intellectual properties fees	76,240	135,991
Others	347,805	261,507
<b>Total</b>	<b><u>9,350,540</u></b>	<b><u>6,819,674</u></b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**20 Administrative expenses**

	2022 <i>(in thousand Baht)</i>	2021
Salary, welfare and employee expenses	3,177,046	2,882,603
Rent, depreciation and amortization expenses	1,111,114	760,736
Professional and consultant fees	704,289	757,172
Loss on contingent consideration adjustment	387,313	-
IT fees	377,723	346,025
Service expenses	294,317	315,749
Others	636,487	692,561
<b>Total</b>	<b>6,688,289</b>	<b>5,754,846</b>

**21 Employee benefit expenses**

	2022 <i>(in thousand Baht)</i>	2021
Salaries and wages	11,267,851	9,703,495
Welfares and others	1,584,042	1,135,638
Contribution to defined contribution plans	465,199	446,841
Contribution to defined benefit plans	214,324	336,383
Early retirement expenses	10,908	64,592
<b>Total</b>	<b>13,542,324</b>	<b>11,686,949</b>

The Group has provident fund plans to provide retirement and gratuity benefits to employees upon resignation at 5% to 10% of the employee's salaries, depending on the length of employment.

The defined contribution plans comprise provident funds established by the Group for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 5% to 13% of the members' basic salaries, depending on the length of employment.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022****22 Income tax**

	Note	2022	2021		
		(in thousand Baht)			
<b><i>Income tax recognized in profit or loss</i></b>					
<b>Current tax</b>					
Current tax		1,551,152	1,814,026		
Under (over) provided in prior years		(25,557)	19,513		
		<b>1,525,595</b>	<b>1,833,539</b>		
<b>Deferred tax</b>					
Movements in temporary differences	13	(99,183)	38,340		
Change in corporate income tax rate	13	123,505	193,546		
		<b>24,322</b>	<b>231,886</b>		
<b>Total</b>		<b>1,549,917</b>	<b>2,065,425</b>		
<b><i>Income tax recognized in other comprehensive income</i></b>					
Gains on remeasurement of defined benefit plan		62,385	25,725		
<b>Total</b>		<b>62,385</b>	<b>25,725</b>		
<b><i>Reconciliation of effective tax rate</i></b>					
		2022	2021		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	
Profit before income tax expense		8,289,287		11,712,369	
Share of profit of associates accounted for using equity method		(54,819)		(57,226)	
		<b>8,234,468</b>		<b>11,655,143</b>	
Income tax using the Thai corporation tax rate	20	1,646,894	20	2,331,029	
Effect of different tax rates in foreign jurisdictions		19,980		17,759	
Income not subject to tax		(18,120)		(205,609)	
Tax privileges		(221,125)		(297,995)	
Expenses deductible at a greater amount		(34,934)		(51,006)	
Expenses not deductible for tax purposes and others		235,130		180,999	
Tax losses		(76,673)		(161,151)	
<b>Current tax</b>		<b>1,551,152</b>		<b>1,814,026</b>	
Under (over) provided in prior years		(25,557)		19,513	
Movement in temporary differences		24,322		231,886	
<b>Income tax expense</b>	<b>19</b>	<b>1,549,917</b>	<b>18</b>	<b>2,065,425</b>	

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**23 Promotional privileges**

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Group was granted the following privileges.

	Exemption from corporate income tax for 8 years from	50% Deduction of normal corporate income tax for 5 years from
<b>Vexcel Pack Co., Ltd.</b>		
Manufacture of plastic containers	18 July 2013	18 July 2021
Manufacture of plastic containers	4 July 2014	4 July 2022
Manufacture of plastic containers	29 August 2015	29 August 2023
Manufacture of plastics sheet and plastics product	6 July 2018	6 July 2026
<b>SCG Paper Energy Co., Ltd.</b>		Exemption from corporate income tax for 8 years from
Power management	1 November 2017	
Electricity production	19 October 2018	
Electricity production	4 June 2019	
Electricity production	17 March 2020	
Electricity production	17 June 2020	
Electricity production	22 December 2020	
Electricity production	24 February 2021	
Electricity production	12 March 2021	
Electricity production	19 January 2022	
Electricity production	27 July 2022	
Electricity production	29 July 2022	
Electricity production	25 October 2022	
Electricity production	27 October 2022	
<b>Thai Containers Group Co., Ltd.</b>		
Manufacture of corrugated paper	9 June 2017	
<b>Precision Print Co., Ltd.</b>		
Manufacture of printing	10 August 2015	
<b>Thai Paper Co., Ltd.</b>		Exemption from corporate income tax for 5 years from
Manufacture of hygienic food packaging	23 August 2022	

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

Vina Kraft Paper Co., Ltd. obtained privileges from a government agency in Vietnam for expanding capacity project No.2 to pay income tax at a reduced rate of 10% of taxable profits for the first 6 years starting from the first year of operation, and exemption from corporate income tax for 2 years from the year that profit is first reported.

Alcamax Packaging (Vietnam) Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 15% of taxable profits until 2027.

AP Packaging (Hanoi) Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 10% of taxable profits until 2052.

Tin Thanh Packing Joint Stock Company obtained privileges from a government agency in Vietnam by exemption from income tax for investment of new plant expansion of taxable profits in 2020 to 2021 and pay income tax at a reduced rate of 10% of taxable profits in 2022 to 2025.

Go-Pak Vietnam Ltd. obtained privileges from a government agency in Vietnam to pay income tax for expansion investments in 2015 to 2017 at a reduced rate of 10% of the incomes corresponding to increased assets until 2022.

Duy Tan Long An Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 17% of taxable profits until 2029, and exemption from corporate income tax for 2 years from the year that profit is first reported in 2020 and 50% deduction of the said corporate income tax for 4 years thereafter.

Duy Tan Binh Duong Plastics Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 10% of taxable profits until 2024.

Duy Tan Precision Mold Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 10% of taxable profits for the first 15 years starting from the first year of operation until 2034, and exemption from corporate income tax for 4 years from the year that profit is first reported in 2020 and 50% deduction of the said corporate income tax for 9 years thereafter.

United Pulp and Paper Company, Inc. obtained privileges from a government agency in Philippines by exempting from corporate income tax for expanding capacity project No.3 from 2022 to 2028.

As promoted companies, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**24 Dividends**

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Dividend rate (Baht)	Amount (in million Baht)
<b>2022</b>				
Annual dividend 2021	29 March 2022	25 April 2022	0.40	1,717
Interim dividend 2022	26 July 2022	24 August 2022	0.25	1,073
<b>Total</b>			<b>0.65</b>	<b>2,790</b>
<b>2021</b>				
Annual dividend 2020	30 March 2021	22 April 2021	0.45	1,931
Interim dividend 2021	27 July 2021	25 August 2021	0.25	1,073
<b>Total</b>			<b>0.70</b>	<b>3,004</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**25 Financial instruments**

**(a) Carrying amounts and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

			<b>Carrying amount</b>		<b>Fair value</b>				
	Fair value								
	Fair value	through other	through	comprehensive	Amortized	Level 1	Level 2	Level 3	Total
	profit or loss	income	cost		Total				
<i>(in thousand Baht)</i>									
<b><i>Balance at 31 December 2022</i></b>									
<b><i>Financial assets</i></b>									
Cash and cash equivalents	-	-	9,965,933		9,965,933				
Investments in short-term debt instruments									
- Deposit with financial institutions	-	-	2,378,495		2,378,495				
Trade receivables	-	-	20,451,076		20,451,076				
Derivatives assets	294,901	-	-		294,901	-	294,901	-	294,901
Investments in debt instruments									
- Deposit with financial institutions	-	-	2,310		2,310				
- Investments in convertible loan and debenture	110,233	-	-		110,233	-	-	110,233	110,233
Investments in equity instruments	1,668	11,783	-		13,451	1,668	-	11,783	13,451
<b>Total financial assets</b>	<b>406,802</b>	<b>11,783</b>	<b>32,797,814</b>		<b>33,216,399</b>				
<b><i>Financial liabilities</i></b>									
Bank overdrafts									
and short-term borrowings	-	-	16,155,140		16,155,140				
Trade payables	-	-	10,798,183		10,798,183				
Derivatives liabilities	40,921	-	-		40,921	-	40,921	-	40,921
Long-term borrowings	-	-	16,021,419		16,021,419				
Lease liabilities	-	-	2,507,805		2,507,805				
Debentures	-	-	15,484,603		15,484,603	-	15,681,197	-	15,681,197
<b>Total financial liabilities</b>	<b>40,921</b>		<b>60,967,150</b>		<b>61,008,071</b>				

**SCG Packaging Public Company Limited and its Subsidiaries**  
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	<b>Carrying amount</b>				<b>Fair value</b>		
	Fair value						
	Fair value	through other					
	through	comprehensive	Amortized				
	profit or loss	income	cost	Total	Level 2	Level 3	Total
	<i>(in thousand Baht)</i>						
<b><i>Balance at 31 December 2021</i></b>							
<b><i>Financial assets</i></b>							
Cash and cash equivalents	-	-	7,310,312	7,310,312			
Investments in short-term							
debt instruments							
- Deposit with							
financial institutions	-	-	805,239	805,239			
- Fund	12,106,320	-	-	12,106,320	12,106,320	-	12,106,320
Trade receivables	-	-	22,413,144	22,413,144			
Derivatives assets	52,532	-	-	52,532	52,532	-	52,532
Investments in debt instruments							
- Deposit with							
financial institutions	-	-	19,886	19,886			
- Investments in convertible							
loan and debenture	38,358	-	-	38,358	-	38,358	38,358
Investments in							
equity instruments	-	7,799	-	7,799	-	7,799	7,799
<b>Total financial assets</b>	<b>12,197,210</b>	<b>7,799</b>	<b>30,548,581</b>	<b>42,753,590</b>			
<b><i>Financial liabilities</i></b>							
Bank overdrafts							
and short-term							
borrowings	-	-	30,547,449	30,547,449			
Trade payables	-	-	11,645,038	11,645,038			
Derivatives liabilities	137,291	-	-	137,291	137,291	-	137,291
Contingent considerations	2,965,986	-	-	2,965,986	-	2,965,986	2,965,986
Long-term borrowings	-	-	18,535,667	18,535,667			
Lease liabilities	-	-	2,195,075	2,195,075			
Debenture	-	-	5,493,051	5,493,051	5,538,286	-	5,538,286
<b>Total financial liabilities</b>	<b>3,103,277</b>	<b>-</b>	<b>68,416,280</b>	<b>71,519,557</b>			

On 1 February 2021, the Company invested in a mutual fund with an asset management company amounting to Baht 12,000 million which is measured at FVTPL with an average rate of return of approximately 1% per year and holding period of approximately 1 year. Later in the first quarter of 2022, the Company got the proceed from selling back its maturity investment in a mutual fund in the amounting to Baht 12,122 million and primarily used for repayment of short-term borrowing from financial institutions.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022****Financial instruments measured at fair value**

The Group determined Level 2 fair values for financial assets and financial liabilities using valuation techniques as follows:

- Investment in debt instruments which are simple over-the-counter securities were based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar financial instrument at the measurement date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.
- Derivatives assets and liabilities such as forward exchange contracts were calculated using the rates initially quoted by the Group's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts. The fair value of interest rate swap is calculated from the difference between the present value of future cash flows based on the yield curve of the contractual interest rate and the expected interest rate based on observable market for similar financial instruments.

The Group determined Level 3 fair values for financial assets and financial liabilities using valuation techniques as follows:

- Investments in equity instruments and investments in convertible loan which are not actively traded in market were calculated using valuation techniques such as the latest reporting net assets adjusted by relevant factors. This was because the equity instruments were not listed on any stock exchanges and there were no recent observable arm's length transactions in the instruments.
- Contingent consideration using the discounted cash flow technique: significant unobservable inputs such as expected cash flows and risk-adjusted discount rate.

**Financial instruments measured at amortized cost**

The Group determined Level 2 fair values for debentures based on quoted selling price from the Thai Bond Market Association at the closing price on the end of the reporting period.

# SCG Packaging Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2022

#### (b) *Financial risk management policies*

##### **Risk management framework**

The Group's management has responsibility for the establishment of financial risk management policies and guidelines including foreign currency risk related to capital expenditure, investment, borrowing, deposit and international trade transaction. This also includes establishing policies and overseeing the process of financial derivatives and cash management for efficiency of the Group's financial operation under risk appetite and consistent practice. The policies are appropriately reviewed to the changing situation. The Group's management monitors financial status and reports regularly to Management Committee.

#### (1) *Credit risk*

Credit risk is the risk of Group's financial loss if a customer or a financial counterparty fails to meet its contractual obligations.

##### (1.1) Cash and cash equivalent and derivatives

The Group's credit risk arising from cash and cash equivalents and derivatives is limited because the counterparties are banks and financial institutions which the Group considers having low credit risk.

##### (1.2) Investment in debt instruments

The Group's credit risk is limited by investing only in high liquidity and credibility debt instruments.

##### (1.3) Trade receivables

The Group's credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before credit limit, credit term and trade terms are offered. In case of sales exceeding the limits, it must be approval by authorized person.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022**

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables are disclosed in note 7.

**(2) Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Group's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

			After 1 year		
	Effective interest rates (% per annum)	Within 1 year	but within 5 years	After 5 years	Total
<b>Year 2022</b>					
Bank overdraft and					
short-term borrowings	Cost of fund plus (0.65 - 1.50) LIBOR plus (1.00 - 1.50) BOE plus 1.80 0.85 - 1.85, 4.30 - 8.35	16,155	-	-	16,155
Long-term borrowings	Cost of fund plus (0.65, 1.75) LIBOR plus (1.25 - 1.75) VNIBOR plus 0.50 JIBOR plus (1.15 - 1.30) EURIBOR plus 0.75 0.75 - 4.73, 7.67 - 9.31	1,571	14,140	311	16,022
Lease liabilities	2.02 - 12.12	672	1,415	1,005	3,092
Debentures	2.65, 2.80, 3.50	-	15,485	-	15,485
<b>Total</b>		<b>18,398</b>	<b>31,040</b>	<b>1,316</b>	<b>50,754</b>
Less	Deferred interest - lease liabilities				(585)
<b>Net</b>					<b>50,169</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

			After 1 year					
			Within 1 year	but within 5 years	After 5 years			
			(in million Baht)					
<b><i>Year 2021</i></b>								
Bank overdraft and								
short-term borrowings	MMR plus 0.55							
Cost of fund plus (0.65 - 1.50, 2.50)								
LIBOR plus (0.75 - 1.25)								
JIBOR plus 1.50								
0.58 - 2.77, 4.20 - 4.70	30,547	-	-	-	30,547			
Long-term borrowings	Cost of fund plus (0.60, 0.65, 1.75)							
LIBOR plus (1.25 - 1.75)								
VNIBOR plus 0.50								
JIBOR plus (1.15 - 1.30)								
EURIBOR plus 0.75								
0.75 - 1.75, 2.25, 4.31 - 8.50	1,865	15,034	1,637	18,536				
Lease liabilities	2.05 - 12.12	553	1,624	653	2,830			
Debentures	2.65	-	5,493	-	5,493			
<b>Total</b>		<b>32,965</b>	<b>22,151</b>	<b>2,290</b>	<b>57,406</b>			
<i>Less</i> Deferred interest								
- lease liabilities					(635)			
<b>Net</b>					<b>56,771</b>			

# SCG Packaging Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2022

#### (3) *Market risk*

The Group has the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

##### (3.1) Interest rate benchmark reform (IBOR reform)

The Group's main IBOR exposure at 31 December 2022 was indexed to LIBOR. The Group estimated that the interest rate benchmark reform will have no material impact on the Group's consolidated financial statements. All financial transactions affected by interest rate reform are expected to be completely processed by 30 June 2023.

The following table shows the total amounts of financial instruments that have yet to transition to an alternative benchmark rates. The amounts of financial liabilities are shown at their carrying amounts and derivatives are shown at their notional amounts.

<i>Key reference rate under the existing contracts</i>	LIBOR (in million Baht)
<b><i>At 31 December 2022</i></b>	
Long-term borrowings from financial institutions	3,553
Interest rate exchanges contracts	1,776

##### (3.2) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

The Group has foreign exchange risk arisen from the fluctuation of foreign exchange rate from purchases, sales, payment of machines and equipment and other receipt and payment which are denominated in foreign currencies. The Group manage that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the end of the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

At 31 December, the Group has significant foreign currency risk from foreign currency assets and liabilities are as follows:

	2022	2021
	U.S. Dollar	
	<i>(in thousand Baht)</i>	
Trade and other receivables	3,970,273	3,284,103
Interest-bearing liabilities	(4,190,984)	(5,995,707)
Trade and other payables	(2,254,362)	(3,254,835)
<b>Net statement of financial position exposure</b>	<b>(2,475,073)</b>	<b>(5,966,439)</b>
Forward exchange selling contracts	(1,985,285)	(1,911,401)
Forward exchange purchase contracts	3,498,508	4,135,782
<b>Net exposure</b>	<b>(961,850)</b>	<b>(3,742,058)</b>

A subsidiary has entered into cross currency swap contracts with a foreign bank to hedge against the risk arisen from payment on long-term borrowings of U.S. Dollar 51 million or equivalent to approximately Baht 1,776 million, whereby exchanging currency from U.S. Dollar to functional currency. These contracts will be due within January 2027.

*Sensitivity analysis*

A reasonably possible strengthening and weakening of functional currency against foreign currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i><b>Impact to profit or loss</b></i>	Movement (%)	Strengthening <i>(in thousand Baht)</i>	Weakening <i>(in thousand Baht)</i>
<b>2022</b>			
U.S. Dollar	1	9,619	(9,619)
<b>2021</b>			
U.S. Dollar	1	37,236	(37,236)

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022****(3.3) Interest rate risk**

Interest rate risk is the risk caused from future movements in market interest rates that will affect the results of the Group's operations and its cash flows certainty. The Group is exposed to interest rate risk which mainly came from its borrowings from financial institution. The Group mitigates this risk by entering into interest rate swap contracts in order to manage exposure to fluctuations in interest rates on specific borrowings.

<i>Exposure to interest rate risk at 31 December</i>	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Financial instruments with variable interest rates</i></b>		
Financial assets	2,310	2,312
Financial liabilities	(19,859,272)	(37,314,551)
<b>Net statement of financial position exposure</b>	<b>(19,856,962)</b>	<b>(37,312,239)</b>
Interest rate swap contracts	1,776,491	2,109,739
<b>Net exposure</b>	<b>(18,080,471)</b>	<b>(35,202,500)</b>

A subsidiary has entered into interest rate swap contracts with a foreign bank to hedge against the risk of interest on long-term borrowings of U.S. Dollar 51 million or equivalent to approximately Baht 1,776 million, whereby exchanging floating interest rates based on LIBOR with fixed interest rates at 0.27% per year. These contracts will be due within January 2027.

*Cash flow sensitivity analysis for variable-rate financial instruments*

A reasonable possible change of 1% in interest rates at 31 December would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<b>2022</b>	Profit or loss	
	1% increase	1% decrease
	in interest rate	in interest rate
<i>(in thousand Baht)</i>		
Financial instruments		
with variable interest rate	(198,570)	198,570
Interest rate swaps contracts	17,765	(17,765)
<b>Cash flow sensitivity (net)</b>	<b>(180,805)</b>	<b>180,805</b>
 <b>2021</b>		
Financial instruments		
with variable interest rate	(373,122)	373,122
Interest rate swaps contracts	21,097	(21,097)
<b>Cash flow sensitivity (net)</b>	<b>(352,025)</b>	<b>352,025</b>

# SCG Packaging Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2022

#### 26 Commitments and contingent liabilities

As at 31 December, the Group had:

- (a) The purchase and installation of land, machinery and equipment of Baht 3,156 million (*2021: Baht 2,766 million*).
- (b) The purchase of inventories, raw materials and others of Baht 6,050 million (*2021: Baht 3,963 million*).
- (c) Contingent liability for letter of guarantees issued by local banks for the Group to government organizations of Baht 90 million (*2021: Baht 68 million*).
- (d) Contingent liability for borrowings guarantees issued by a local bank for the Group to associate which limit is not exceed Baht 66 million (*2021: Baht 132 million*).
- (e) A subsidiary has entered into agreements with foreign company for the delivery and loading of Woodchips to Vessel. The subsidiary is committed to sell and deliver the Woodchips in volume equivalent to approximately 48,000 BDMT per year. The agreement period is for 12 years with the expiration date in December 2034.
- (f) A subsidiary has entered into agreements with local company for provide Biofuel to delivery point. The subsidiary is committed to sell and deliver the Biofuel in volume equivalent to approximately 73,000 tons per year. The agreement period is for 25 years with the expiration date in August 2037.

#### 27 Capital management

The management of the Group has a capital management policy with the objective to maintain a strong capital base by emphasizing on planning and determining operating strategies that will ensure a sustainable business performance and cash flow management. In addition, the Group also considers to have a strong financial foundation. Therefore, the Group have considered in investing in projects that have good rate of return, maintaining appropriate working capital, as well as having a sufficient cash reserves and an appropriate investment structure to have a firm operating business in the future and maintain the confidence of shareholders, investors, creditors, and other stakeholders.

**SCG Packaging Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2022****28 Events after the reporting period**

On 24 January 2023, at the Board of Directors' Meeting of the Company, the directors proposed for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2022 at the rate of Baht 0.60 per share, totaling approximately Baht 2,576 million. An interim dividend of Baht 0.25 per share was paid on 24 August 2022, as disclosed in note 24. The final dividend will be at the rate of Baht 0.35 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 1,503 million and is scheduled for payment on 24 April 2023. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 28 March 2023.

**29 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective**

The Federation of Accounting Professions has issued and revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2023 and have not been adopted in the preparation of these consolidated financial statements because they are not yet effective. The Group has assessed the potential initial impact on the consolidated financial statements of these issued and revised TFRSs and expected that there will be no material impact on the consolidated financial statements in the year of initial application.



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## Independent auditor's report

### To the Shareholders of SCG Packaging Public Company Limited

#### *Opinion*

I have audited the financial statements of SCG Packaging Public Company Limited (the “Company”), which comprise the statement of financial position as at 31 December 2022, the income statement and statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, its 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 Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



### Impairment testing of investments in associates and subsidiaries

Refer to Notes 3(i), 6 and 7 to the financial statements.

The key audit matter	How the matter was addressed in the audit
<p>The management assessed the impairment indicators of investments in associates and subsidiaries given rise to impairment testing by focusing on the business that its performance was below expectations. The impairment testing of investments in associates and subsidiaries involves management judgments in identifying whether there are impairment indicators on the investment, including estimating the recoverable amount, in particular the forecasting of future cash flows derived from financial budget of the associates and subsidiaries, expected growth rates and discount rates. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• obtaining understanding of the identification of impairment indicators and impairment testing procedures of the management;</li> <li>• assessing reasonableness of the identification of impairment indicators and the key assumptions which underpinned the recoverable amount of investment in associates and subsidiaries and testing the appropriateness of significant assumptions which supported discounted cash flows projection such as cash flow forecasts, long-term growth rates and discount rates used by management with reference to recent performance and trend analysis, and comparing with market situations and operating environment, industry knowledge and other information obtained during the audit; including evaluating the reasonableness of the forecasting of financial performances by comparing historical estimation to the actual operating results;</li> <li>• evaluating the appropriateness of the valuation methodology used by management and testing the mathematical accuracy of the recoverable amount and impairment calculations; and</li> <li>• considering the adequacy of the disclosures in accordance with the financial reporting standard.</li> </ul>

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read 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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

A handwritten signature in black ink, appearing to read "Pornthip R".

(Pornthip Rimdusit)  
Certified Public Accountant  
Registration No. 5565

KPMG Phoomchai Audit Ltd.  
Bangkok  
14 February 2023

**SCG Packaging Public Company Limited**  
**Statement of financial position**  
**As at 31 December 2022**

<b>Assets</b>	<i>Note</i>	2022	2021
<i>(in thousand Baht)</i>			
<b><i>Current assets</i></b>			
Cash and cash equivalents		4,890,048	331,908
Investments in short-term debt instrument	21	-	12,106,320
Other current receivables	4, 5	504,717	562,317
Short-term loans to related parties	4	40,387,271	43,384,481
Other current assets		88,304	93,869
<b>Total current assets</b>		<b>45,870,340</b>	<b>56,478,895</b>
<b><i>Non-current assets</i></b>			
Investments in associates	6	350,121	350,121
Investments in subsidiaries	7	48,217,163	40,577,172
Investment property	8	306,023	302,773
Property, plant and equipment	9	344,528	344,752
Intangible assets	11	352,049	166,645
Deferred tax assets	12	109,588	100,021
Other non-current assets		73,441	56,996
<b>Total non-current assets</b>		<b>49,752,913</b>	<b>41,898,480</b>
<b>Total assets</b>		<b>95,623,253</b>	<b>98,377,375</b>

For and on behalf of the Board of Directors

(Mr. Prasarn Trairatvorakul)  
Chairman

(Mr. Wichen Jitpukdee)  
Chief Executive Officer

**SCG Packaging Public Company Limited**  
**Statement of financial position**  
**As at 31 December 2022**

<b>Liabilities and shareholders' equity</b>	<i>Note</i>	<b>2022</b>	<b>2021</b>
<i>(in thousand Baht)</i>			
<b><i>Current liabilities</i></b>			
Short-term borrowings from financial institutions	14	2,940,000	16,380,000
Other current payables	4, 13	292,620	221,518
Current portion of lease liabilities	4, 14	61,699	53,113
Short-term borrowings from related parties	4, 14	120,736	118,073
Other current liabilities		<u>29,589</u>	<u>27,686</u>
<b>Total current liabilities</b>		<b><u>3,444,644</u></b>	<b><u>16,800,390</u></b>
<b><i>Non-current liabilities</i></b>			
Long-term borrowings from financial institutions	14	9,992,551	9,989,467
Lease liabilities	4, 14	93,455	112,021
Debentures	14	15,484,603	5,493,051
Non-current provisions for employee benefits	15	535,634	524,818
Other non-current liabilities		<u>12,494</u>	<u>11,392</u>
<b>Total non-current liabilities</b>		<b><u>26,118,737</u></b>	<b><u>16,130,749</u></b>
<b>Total liabilities</b>		<b><u>29,563,381</u></b>	<b><u>32,931,139</u></b>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited**  
**Statement of financial position**  
**As at 31 December 2022**

<b>Liabilities and shareholders' equity</b>	<i>Note</i>	2022	2021
		<i>(in thousand Baht)</i>	
<b><i>Shareholders' equity</i></b>			
Share capital			
<i>Authorized share capital</i>			
<i>(4,500 million ordinary shares,         par value at Baht 1 per share)</i>		<u>4,500,000</u>	<u>4,500,000</u>
<i>Issued and paid share capital</i>			
<i>(4,293 million ordinary shares,         par value at Baht 1 per share)</i>		4,292,920	4,292,920
Share premium		40,860,245	40,860,245
Retained earnings			
<i>Appropriated</i>			
Legal reserve	16	450,000	450,000
General reserve		3,000	3,000
<i>Unappropriated</i>		<u>20,453,707</u>	<u>19,840,071</u>
<b>Total shareholders' equity</b>		<u><b>66,059,872</b></u>	<u><b>65,446,236</b></u>
<b>Total liabilities and shareholders' equity</b>		<u><b>95,623,253</b></u>	<u><b>98,377,375</b></u>

**SCG Packaging Public Company Limited****Income statement****For the year ended 31 December 2022**

	<i>Note</i>	2022	2021
		(in thousand Baht)	
Dividend income	4, 6, 7	2,858,172	3,526,312
Service income	4	1,990,288	2,003,690
Interest income	4	868,849	805,762
Other income	4	<u>674,191</u>	<u>489,180</u>
<b>Total income</b>		<b>6,391,500</b>	<b>6,824,944</b>
Administrative expenses	4, 17	<u>(2,466,711)</u>	<u>(2,351,351)</u>
<b>Profit from operations</b>		<b>3,924,789</b>	<b>4,473,593</b>
Finance costs	4	<u>(484,860)</u>	<u>(490,091)</u>
<b>Profit before income tax</b>		<b>3,439,929</b>	<b>3,983,502</b>
Tax income (expense)	19	<u>(6,079)</u>	<u>26,993</u>
<b>Profit for the year</b>		<b><u>3,433,850</u></b>	<b><u>4,010,495</u></b>
<b>Basic earning per share (in Baht)</b>		<b><u>0.80</u></b>	<b><u>0.93</u></b>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2022**

	<i>Note</i>	2022	2021
		<i>(in thousand Baht)</i>	
<b>Profit for the year</b>		<b>3,433,850</b>	<b>4,010,495</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain (loss) on remeasurements of defined benefit plans	15	(37,536)	8,980
Income tax relating to items that will not be reclassified subsequently to profit or loss	19	7,507	(1,978)
<b>Other comprehensive income for the year, net of tax</b>		<b>(30,029)</b>	<b>7,002</b>
<b>Total comprehensive income for the year</b>		<b>3,403,821</b>	<b>4,017,497</b>

## SCG Packaging Public Company Limited

### Statement of changes in shareholders' equity

For the year ended 31 December 2022

Note	Share capital paid	Share premium	Retained earnings			Total shareholders' equity
			Appropriated		Unappropriated	
			Legal reserve (in thousand Baht)	General reserve		
<b>Balance at 1 January 2021</b>	<b>4,292,920</b>	<b>40,860,245</b>	<b>337,700</b>	<b>3,000</b>	<b>18,938,959</b>	<b>64,432,824</b>
<b>Transactions with owners, recorded directly in shareholders' equity</b>						
<i>Contributions by and distributions to owners of the Company</i>						
Dividends	20	-	-	-	<b>(3,004,085)</b>	<b>(3,004,085)</b>
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	<b>(3,004,085)</b>	<b>(3,004,085)</b>
<b>Total transactions with owners, recorded directly in shareholders' equity</b>		-	-	-	<b>(3,004,085)</b>	<b>(3,004,085)</b>
<b>Comprehensive income for the year</b>						
Profit or loss	-	-	-	-	4,010,495	4,010,495
Other comprehensive income	-	-	-	-	7,002	7,002
<b>Total comprehensive income for the year</b>		-	-	-	<b>4,017,497</b>	<b>4,017,497</b>
Transfer to legal reserve	16	-	112,300	-	(112,300)	-
<b>Balance at 31 December 2021</b>	<b>4,292,920</b>	<b>40,860,245</b>	<b>450,000</b>	<b>3,000</b>	<b>19,840,071</b>	<b>65,446,236</b>

## SCG Packaging Public Company Limited

### Statement of changes in shareholders' equity

For the year ended 31 December 2022

	Note	Share capital paid	Share premium	Retained earnings			Total shareholders' equity
				Appropriated		Unappropriated	
				Legal reserve	General reserve (in thousand Baht)		
Balance at 1 January 2022		4,292,920	40,860,245	450,000	3,000	19,840,071	65,446,236
Transactions with owners, recorded directly in shareholders' equity							
Contributions by and distributions to <i>owners of the Company</i>	20			-	-	(2,790,185)	(2,790,185)
Dividends				-	-	(2,790,185)	(2,790,185)
Total contributions by and distributions to <i>owners of the Company</i>				-	-	(2,790,185)	(2,790,185)
Total transactions with owners, recorded directly in shareholders' equity				-	-	(2,790,185)	(2,790,185)
Comprehensive income for the year							
Profit or loss		-	-	-	-	3,433,850	3,433,850
Other comprehensive income		-	-	-	-	(30,029)	(30,029)
Total comprehensive income for the year		-	-	-	-	3,403,821	3,403,821
Balance at 31 December 2022		4,292,920	40,860,245	450,000	3,000	20,453,707	66,059,872

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited**  
**Statement of cash flows**  
**For the year ended 31 December 2022**

	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>		
Profit for the year	3,433,850	4,010,495
<b><i>Adjustments for</i></b>		
Tax expense (income)	6,079	(26,993)
Depreciation and amortization	95,658	82,088
Non-current provisions for employee benefit expense (reversal)	(6,661)	174,455
Gain on foreign currency exchange	(302,292)	(134,611)
Gain on measured at fair value	(15,952)	(106,343)
Dividend income	(2,858,172)	(3,526,312)
Interest income	(868,849)	(805,762)
Finance costs and others	<u>484,510</u>	<u>490,968</u>
<b><i>Cash flows generated from operations</i></b>		
<b>before changes in operating assets and liabilities</b>	<b><u>(31,829)</u></b>	<b><u>157,985</u></b>
<b><i>Decrease (increase) in operating assets</i></b>		
Other current receivables	50,348	(207,177)
Other assets	<u>18,893</u>	<u>7,837</u>
<b>Net decrease (increase) in operating assets</b>	<b><u>69,241</u></b>	<b><u>(199,340)</u></b>
<b><i>Increase (decrease) in operating liabilities</i></b>		
Other current payables	(5,446)	(88,931)
Non-current provisions for employee benefits	(20,059)	(22,301)
Other liabilities	<u>3,009</u>	<u>8,675</u>
<b>Net decrease in operating liabilities</b>	<b><u>(22,496)</u></b>	<b><u>(102,557)</u></b>
<b>Net cash flows generated from (used in) operations</b>	<b><u>14,916</u></b>	<b><u>(143,912)</u></b>
Income tax paid	<u>(37,944)</u>	<u>(12,281)</u>
<b>Net cash flows used in operating activities</b>	<b><u>(23,028)</u></b>	<b><u>(156,193)</u></b>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited**  
**Statement of cash flows**  
**For the year ended 31 December 2022**

	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Cash flows from investing activities</i></b>		
Payments of investments in subsidiaries	(1,472,100)	(6,129,734)
Proceeds from sale of debt instruments of others entities	12,122,301	-
Acquisition of debt instruments of others entities	-	(12,000,000)
Proceeds from sale of property, plant and equipment	60	-
Acquisition of property, plant and equipment	(42,893)	(17,757)
Proceeds from sale of intangible assets	2,334	-
Acquisition of intangible assets	(200,193)	(115,921)
Loans to related parties	(2,867,452)	(10,758,038)
Dividends received	2,858,172	3,526,312
Interest received	881,940	779,855
<b>Net cash flows provided by (used in) investing activities</b>	<b>11,282,169</b>	<b>(24,715,283)</b>
<b><i>Cash flows from financing activities</i></b>		
<b><i>Proceeds from (payments of) borrowings</i></b>		
Proceeds from (payments of) short-term borrowings from financial institutions - net	(13,440,000)	8,680,000
Proceeds from (payments of) short-term borrowings from related parties - net	2,663	(581,962)
Proceeds from long-term borrowings from financial institutions	-	5,000,000
Payments of long-term borrowings from financial institutions	-	(15,000,000)
Payments of lease liabilities	(55,528)	(40,353)
Proceeds from issuance of debentures	10,000,000	5,500,000
<b>Net increase (decrease) in borrowings</b>	<b>(3,492,865)</b>	<b>3,557,685</b>
Dividends paid	(2,790,185)	(3,004,085)
Interest and other finance costs paid	(417,951)	(477,856)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(6,701,001)</b>	<b>75,744</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,558,140</b>	<b>(24,795,732)</b>
Cash and cash equivalents at the beginning of the year	331,908	25,127,640
<b>Cash and cash equivalents at the end of the year</b>	<b>4,890,048</b>	<b>331,908</b>
<b><i>Supplementary information for cash flows</i></b>		
<b><i>Non-cash from investing transaction at the end of the year</i></b>		
Account payables from purchase of assets	9,923	5,713

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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# **SCG Packaging Public Company Limited**

## **Notes to the financial statements**

### **For the year ended 31 December 2022**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 14 February 2023.

#### **1 General information**

SCG Packaging Public Company Limited, the “Company”, is incorporated in Thailand. The Company’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited. It is incorporated in Thailand.

The Company is engaged in investment.

#### **2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRSs”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

The preparation of financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

From 1 January 2022, the Company has adopted the amendments in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments. The adoption of these standards has no material effect on the financial statements of the Company.

# SCG Packaging Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2022

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition and are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

#### (b) *Other receivables*

A receivable is recognized when the Company has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status by taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the end of the reporting period.

#### (c) *Investments in associates and subsidiaries*

Investments in associates and subsidiaries are measured at cost less accumulated impairment losses.

#### (d) *Investment property*

Investment properties are properties which are held as right-of-use assets, as well as properties that are owned by the Company. Investment properties are held to earn rental income, or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials, direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is charged on freehold land and construction in progress.

## **SCG Packaging Public Company Limited**

### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

The estimated useful lives are as follows:

Land improvements	2, 20 years
Building	5, 20 years

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of investment property are recognized in profit or loss.

#### *Reclassification to property, plant and equipment*

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

#### **(e) Property, plant and equipment**

##### *Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognized in profit or loss.

##### *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

##### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment, including major inspections, is recognized in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

##### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

## **SCG Packaging Public Company Limited**

### **Notes to the financial statements**

**For the year ended 31 December 2022**

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is provided on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5, 20	years
Building and structures	5 - 20	years
Machinery and equipment	5 - 20	years
Vehicles and equipment	5, 10	years
Furniture, fixtures and office equipment	3 - 20	years

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

#### **(f) Intangible assets**

##### *Research and development expenditure*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. The expenditure cost includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs. Subsequent expenditure is capitalized only when it increases the future economic benefits.

##### *Intangible assets*

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use. No amortization is provided on development cost.

The estimated useful lives are as follows:

Software licenses and others	3 - 20 years
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Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

## **SCG Packaging Public Company Limited**

### **Notes to the financial statements**

**For the year ended 31 December 2022**

#### **(g) Leases**

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. The Company has elected not to separate non-lease components and accounted for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognized as an expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and accumulated impairment loss, and adjusted for any remeasurements of lease liability.

The cost of right-of-use asset includes the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs and an estimate of restoration costs, less any lease incentives received.

Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful lives of the underlying asset which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

**SCG Packaging Public Company Limited****Notes to the financial statements****For the year ended 31 December 2022****(h) Lessor**

At inception or on modification of a contract, the Company allocates the consideration in the contract to each component on the basis of their relative stand-alone selling prices.

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Company recognizes lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as other income in the accounting period in which they are earned.

**(i) Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Company will estimate the assets' recoverable amounts. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognized in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**(j) Other payables**

Other payables are stated at amortized cost.

**(k) Employee benefits***Defined contribution plans*

Obligations for contributions to provident fund for the Company's employee are expensed in profit or loss as the related service is provided.

## SCG Packaging Public Company Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### *Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is discounted to the present value, which is performed annually by a qualified actuary.

For remeasurements of the net defined benefit liability, actuarial gains or losses are recognized in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period by taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### *Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Gain or loss on remeasurement is recognized in profit or loss in the period in which they arise.

#### *Termination benefits*

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits or when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **(l) Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**(m) Revenue from contracts with customers**

*(1) Revenue recognition*

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties and value added tax.

*Service fee income*

Intellectual property income and service income are recognized on an accrual basis in accordance with the terms of agreement.

*Dividend income*

Dividend income is recognized in profit or loss on the date that the Company's right to receive the dividend is established.

*Other income*

Other income comprises rental income and others is recognized on accrual basis.

*(2) Contract assets and liabilities*

Contract assets are recognized when the Company has recognized revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Company is entitled to, less allowance for expected credit loss. The contract assets are classified as receivables when the Company has an unconditional right to receive consideration that usually occurs when the Company issues an invoice to the customer.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognized when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognizes the related revenue.

**(n) Expenses**

*Finance costs*

Finance costs comprise interest expense on borrowings and unwinding of the discount on provision.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

## SCG Packaging Public Company Limited

### Notes to the financial statements

### For the year ended 31 December 2022

#### *Early retirement expenses*

The Company offers certain qualifiable employees the option to take early retirement from the Company. The eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Company records expenses on early retirement upon mutual acceptance.

#### **(o) Income tax**

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is recognized in respect of the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### **(p) Foreign currency transactions**

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currency transactions and measured in terms of historical cost are translated to the respective functional currencies in the Company at the exchange rates at the dates of the transactions.

# SCG Packaging Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2022

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currencies at the foreign exchange rates at the end of the reporting period.

Foreign exchange differences are generally recognized in profit or loss.

### (q) **Financial instruments**

#### *Classification and measurement*

Debt securities issued by the Company are initially recognized when they are originated. Other financial assets and financial liabilities, except trade receivables and trade payables, are initially recognized when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value by taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognized in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except that the financial liabilities are held for trading or derivatives, which are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are also recognized in profit or loss.

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

#### *Derecognition and offset*

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

## **SCG Packaging Public Company Limited**

### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### *Derivatives*

Derivatives are recognized at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

#### *Impairment of financial assets*

The Company recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, debt investments measured at FVOCI.

The Company recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or trade receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Company considers a financial asset to have low credit risk when its credit rating is the investment grade. The Company recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are remeasured at the end of the reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

**SCG Packaging Public Company Limited****Notes to the financial statements****For the year ended 31 December 2022***Interest*

Interest income and expense are recognized in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to carrying amount of the financial assets after impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**(r) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company use observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

**(s) Related parties**

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, a person or entity that are under common control or the same significant influence as the Company.

# SCG Packaging Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2022

### 4 Related parties

Relationships with related parties that the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Siam Kraft Industry Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Phoenix Pulp & Paper Public Company Limited	Thailand	Subsidiary, direct ownership interest
Thai Cane Paper Public Company Limited	Thailand	Subsidiary, direct ownership interest
Thai Containers Group Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Invenique Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Excellence Training Center Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCG Paper Energy Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Solutions Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP-T Plastics Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Rigid Plastics Company Limited	Thailand	Subsidiary, direct ownership interest
International Healthcare Packaging Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SKIC International Company Limited	Thailand	Subsidiary, direct ownership interest
Phoenix Utilities Co., Ltd. *	Thailand	Subsidiary, indirect ownership interest
Thai Containers Khonkaen Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Containers Rayong Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
The Siam Forestry Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Paper Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Wanabhum Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Siam Panawes Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panaboon Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panaram Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Panas Nimit Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Suanpa Rungsrис Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panadorn Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panason Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Tawana Container Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Orient Containers Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Dyna Packs Co., Ltd. **	Thailand	Subsidiary, indirect ownership interest
D-In Packs Co., Ltd. **	Thailand	Subsidiary, indirect ownership interest
TC Flexible Packaging Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Prepack Thailand Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Precision Print Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Conimex Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Vexcel Pack Co., Ltd. (Formerly: Visy Packaging (Thailand) Limited)	Thailand	Subsidiary, indirect ownership interest
Vina Kraft Paper Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
New Asia Industries Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Alcamax Packaging (Vietnam) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest

# SCG Packaging Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2022

Name of entities	Country of incorporation/ nationality	Nature of relationships
AP Packaging (Hanoi) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Packamex (Vietnam) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Tin Thanh Packing Joint Stock Company	Vietnam	Subsidiary, indirect ownership interest
Bien Hao Packaging Joint Stock Company	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Plastics Manufacturing Corporation	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Long An Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Precision Mold Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Mata Plastic Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Binh Duong Plastics Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Go-Pak Vietnam Limited	Vietnam	Subsidiary, indirect ownership interest
Go-Pak Paper Products Vietnam Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
United Pulp and Paper Co., Inc.	Philippines	Subsidiary, direct ownership interest
SCGP Solutions (Singapore) Pte. Ltd.	Singapore	Subsidiary, direct ownership interest
SCGP Rigid Packaging Solutions Pte. Ltd.	Singapore	Subsidiary, direct ownership interest
TCG Solutions Pte. Ltd.	Singapore	Subsidiary, indirect ownership interest
PT Primacorr Mandiri	Indonesia	Subsidiary, indirect ownership interest
PT Indoris Printingdo	Indonesia	Subsidiary, indirect ownership interest
PT Indocorr Packaging Cikarang	Indonesia	Subsidiary, indirect ownership interest
PT Fajar Surya Wisesa Tbk.	Indonesia	Subsidiary, indirect ownership interest
PT Dasaya Aria Prima	Indonesia	Subsidiary, indirect ownership interest
PT Indonesia Dirltajaya Aneka Industri Box	Indonesia	Subsidiary, indirect ownership interest
PT Bahana Buana Box	Indonesia	Subsidiary, indirect ownership interest
PT Rapipack Asritama	Indonesia	Subsidiary, indirect ownership interest
Interpress Printers Sendirian Berhad	Malaysia	Subsidiary, indirect ownership interest
Jordan Trading Inc.	United States	Subsidiary, indirect ownership interest
Peute Recycling B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Papierrecycling B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Plasticrecycling B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Recycling International B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute UK Limited	England	Subsidiary, indirect ownership interest
Go-Pak UK Limited	England	Subsidiary, indirect ownership interest
Peute Portugal, Unipessoal Lda	Portugal	Subsidiary, indirect ownership interest
Peute Recycling Spain S.L.	Spain	Subsidiary, indirect ownership interest
Deltalab Global, S.L.	Spain	Subsidiary, indirect ownership interest
Deltalab, S.L.	Spain	Subsidiary, indirect ownership interest
Keylab, S.L.U.	Spain	Subsidiary, indirect ownership interest
Envases Farmaceuticos, S.A.	Spain	Subsidiary, indirect ownership interest
Nirco, S.L.	Spain	Subsidiary, indirect ownership interest
Sanilabo, S.L.U.	Spain	Subsidiary, indirect ownership interest
Equilabo Scientific, S.L.U.	Spain	Subsidiary, indirect ownership interest
Siam Toppan Packaging Co., Ltd.	Thailand	Associate, direct ownership interest
Siam Nippon Industrial Paper Co., Ltd.	Thailand	Associate, indirect ownership interest
P&S Holdings Corporation	Philippines	Associate, direct ownership interest
SCG Legal Counsel Limited	Thailand	Subsidiary of The Siam Cement Public Company Limited

## **SCG Packaging Public Company Limited**

### **Notes to the financial statements**

**For the year ended 31 December 2022**

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
SCG Learning Excellence Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Chemicals Public Company Limited	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Distribution Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Skills Development Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Building and Living Care Consulting Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
PT SCG Indonesia	Indonesia	Subsidiary of The Siam Cement Public Company Limited
SCG Vietnam Co., Ltd.	Vietnam	Subsidiary of The Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	Associate of The Siam Cement Public Company Limited

\* Currently in the liquidation process due to the transfer of entire business to Phoenix Pulp & Paper Public Company Limited on 1 October 2021 and registered the dissolution with the Department of Business Development, Ministry of Commerce on 20 December 2021.

\*\* Currently in the liquidation process.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

Significant transactions with related parties for the years ended 31 December and the pricing policies are summarized as follows:

	2022	2021	Pricing Policies
	<i>(in thousand Baht)</i>		
<b><i>Parent</i></b>			
Service fee and lease-related expense	216,608	182,185	Cost plus method and contract rate
<b><i>Subsidiaries</i></b>			
Rental income	33,470	33,191	Contract rate
Intellectual property income	255,840	163,911	Percentage of net sales
Service charges income	1,981,915	1,994,521	Cost plus method
Dividend income	2,850,160	3,517,614	Upon declaration
Interest income	855,199	777,126	Contract rate
Interest expense	194	2,878	Contract rate
<b><i>Associates</i></b>			
Dividend income	8,012	8,698	Upon declaration

Balances as at 31 December with related parties were as follows:

	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Other current receivables</i></b>		
Parent	3,865	4,172
Subsidiaries	467,108	513,485
Associates	620	325
Others	9	3,395
<b>Total</b>	<b><u>471,602</u></b>	<b><u>521,377</u></b>
<b><i>Short-term loans</i></b>		
Subsidiaries	<b><u>40,387,271</u></b>	<b><u>43,384,481</u></b>
<b><i>Short-term loans to related parties</i></b>		
At 1 January	43,384,481	32,492,002
Increase	9,893,169	13,280,052
Decrease	(12,890,379)	(2,387,573)
<b>At 31 December</b>	<b><u>40,387,271</u></b>	<b><u>43,384,481</u></b>
<b><i>Other non-current assets</i></b>		
Parent	<b><u>6,324</u></b>	<b><u>8,899</u></b>

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	2022 (in thousand Baht)	2021
<i>Other current payables</i>		
Parent	11,173	20,501
Subsidiaries	7,918	5,743
Others	8,323	10,414
<b>Total</b>	<b>27,414</b>	<b>36,658</b>
<i>Short-term borrowings</i>		
Subsidiaries	<b>120,736</b>	<b>118,073</b>
<i>Short-term borrowings from related parties</i>		
At 1 January	118,073	700,035
Increase	173,956	3,480,290
Decrease	(171,293)	(4,062,252)
<b>At 31 December</b>	<b>120,736</b>	<b>118,073</b>
<i>Lease Liabilities</i>		
<i>Current and non-current portion</i>		
Parent	57,185	78,922
Subsidiaries	17,180	17,953
<b>Total</b>	<b>74,365</b>	<b>96,875</b>
<b>The Board of Directors and key management compensation</b>		
	2022 (in thousand Baht)	2021
<i>For the years ended 31 December</i>		
Short-term employee benefits	104,763	100,576
Post-employment benefits	7,661	8,108
<b>Total</b>	<b>112,424</b>	<b>108,684</b>

The Board of Directors and key management compensation comprises the remuneration paid to the directors of SCG Packaging Public Company Limited under the articles of the Company and the remuneration paid to the management as staff expenses in terms of salary, bonus, special remuneration benefit, others and contribution to defined contribution plans.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**5 Other current receivables**

	<i>Note</i>	2022	2021
		<i>(in thousand Baht)</i>	
Related parties	4	471,602	521,377
Other parties		33,115	40,940
<b>Total</b>		<b>504,717</b>	<b>562,317</b>

Other current receivables as at 31 December were as follows:

	2022	2021
	<i>(in thousand Baht)</i>	
Accrued service income	443,861	471,463
Accrued interest income	28,700	42,799
Others	32,156	48,055
<b>Total</b>	<b>504,717</b>	<b>562,317</b>

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**6 Investments in associates**

Investments in associates as at 31 December and dividends from these investments for the years ended at the same date were as follows:

	Total holding		Paid-up capital		Cost method		Dividend income	
	2022	2021	2022	2021	2022 <i>(in thousand Baht)</i>	2021	2022	2021
Siam Toppan Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	8,012	8,698
P&S Holdings Corporation	40	40	262,588	262,588	105,121	105,121	-	-
<b>Total</b>			<b>762,588</b>	<b>762,588</b>	<b>350,121</b>	<b>350,121</b>	<b>8,012</b>	<b>8,698</b>

# **SCG Packaging Public Company Limited**

## **Notes to the financial statements**

**For the year ended 31 December 2022**

### **7 Investments in subsidiaries**

Movements for the years ended 31 December in investments in subsidiaries accounted for using the cost method were as follows:

	2022 (in thousand Baht)	2021
<b>At 1 January</b>	<b>40,577,172</b>	<b>34,447,438</b>
Acquisitions and additional investments	7,639,991	6,129,734
<b>At 31 December</b>	<b>48,217,163</b>	<b>40,577,172</b>

In January 2021, the Company registered SCGP Rigid Packaging Solutions Pte. Ltd. which is incorporated in Singapore and wholly owned 100%. In May 2021, SCGP Rigid Packaging Solutions Pte. Ltd. had increase share capital for 125 million shares totaling Vietnam Dong 2,000 billion or equivalent to approximately Baht 2,732 million. The Company had paid-up increased all of share capital.

In May 2021, Invenique Co., Ltd. had increase share capital for 365,000 shares or approximately Baht 37 million. The Company had paid-up increased all of share capital. The Company has already been registered with the Ministry of Commerce on 28 May 2021.

In June 2021, the Company purchased all shares held in International Healthcare Packaging Co., Ltd. from Siam Kraft Industry Co., Ltd. for 10,000 shares at 83.41 Baht per share totaling Baht 0.8 million.

In September 2021, International Healthcare Packaging Co., Ltd. had increase share capital for 33,600,000 shares or approximately Baht 3,360 million. The Company had paid-up increased all of share capital. The Company has already been registered with the Ministry of Commerce on 21 September 2021.

In June 2022, Thai Containers Group Co., Ltd. had increase share capital for 19,600,000 shares or approximately Baht 1,960 million. The Company subscribed to the portion of its shareholdings of 13,720,000 shares totaling Baht 1,372 million. The Company has already been registered with the Ministry of Commerce on 9 June 2022.

In June 2022, Invenique Co., Ltd. had increase share capital for 1,000,000 shares or approximately Baht 100 million. The Company entirely subscribed of share capital. The Company has already been registered with The Ministry of Commerce on 16 June 2022.

In August 2022, the Company purchased all shares held in SKIC International Company Limited from Siam Kraft Industry Co., Ltd. for 1,000 shares at 100 Baht per share totaling Baht 0.1 million.

In August 2022, SCGP Rigid Packaging Solutions Pte. Ltd. which is a wholly owned subsidiary of the Company had increased the share capital for 236,202,920 shares, amounting to US Dollars 171 million or equivalent to Baht 6,168 million. The Company entirely subscribed of share capital. The Company has already been registered with the Ministry of Commerce on 10 October 2022.

**SCG Packaging Public Company Limited****Notes to the financial statements****For the year ended 31 December 2022**

In October 2022, SCGP Solutions (Singapore) Pte. Ltd. has increase share capital for 321,891,886 shares, amounting to US Dollars 233 million or equivalent to Baht 8,405 million. The Company had not paid-up increased of the share capital. The Company's holdings in SCGP Solutions (Singapore) Pte. Ltd. then decrease from 10.29% to 7.71% and SCGP Solutions (Singapore) Pte. Ltd. will remain an investment in subsidiary of the Company because the Company has control through indirect shareholding by the subsidiary of the Company.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

Investments in subsidiaries as at 31 December and dividend income from these investments for the years ended at the same date were as follows:

	Total holding		Paid-up capital		Cost method		Accumulated impairment losses		Dividend income	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(%)									
<i>Phoenix Pulp &amp; Paper Public Company Limited</i>										
SCGP Rigid Packaging Solutions Pte. Ltd.	69.58	69.58	2,462,812	2,462,812	13,439,561	13,439,561	-	-	13,439,561	13,439,561
Thai Cane Paper Public Company Limited	100	100	8,900,291	2,732,400	8,900,291	2,732,400	-	-	8,900,291	2,732,400
SCGP Rigid Plastics Company Limited	98.20	98.20	3,582,537	3,582,537	5,007,375	5,007,375	-	-	5,007,375	5,007,375
Siam Kraft Industry Co., Ltd.	100	100	4,403,200	4,403,200	4,403,200	4,403,200	-	-	4,403,200	4,403,200
International Healthcare Packaging Co., Ltd.	100	100	3,450,000	3,450,000	3,982,680	3,982,680	-	-	3,982,680	3,982,680
United Pulp and Paper Co., Inc.	57.99	57.99	5,567,661	5,567,661	3,361,000	3,361,000	3,360,834	3,360,834	-	-
Thai Containers Group Co., Ltd.	70	70	3,344,000	1,384,000	5,963,899	5,963,899	2,963,899	2,963,899	-	-
SCGP Solutions (Singapore) Pte. Ltd.	7.71	10.29	30,141,095	21,735,991	2,385,805	1,013,805	-	-	2,385,805	1,013,805
SCG Paper Energy Co., Ltd.	100	100	890,000	890,000	2,324,941	2,324,941	-	-	2,324,941	2,324,941
SCGP-T Plastics Co., Ltd.	51	51	385,900	385,900	196,812	196,812	-	-	890,000	890,000
SCGP Solutions Co., Ltd.	100	100	170,000	170,000	170,000	170,000	-	-	196,812	196,812
Invenique Co., Ltd.	100	100	206,700	106,700	206,700	106,700	64,035	64,035	170,000	170,000
SCGP Excellence Training Center Co., Ltd.	100	100	49,000	49,000	49,000	49,000	-	-	42,665	42,665
SKC International Company Limited	100	-	100	-	100	-	-	-	49,000	49,000
<b>Total</b>			<b>66,914,296</b>	<b>50,281,201</b>	<b>48,281,198</b>	<b>40,641,207</b>	<b>64,035</b>	<b>64,035</b>	<b>40,577,172</b>	<b>2,850,160</b>
										<b>3,517,614</b>

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**8 Investment property**

	Land and Land improvements	Buildings (in thousand Baht)	Total
<b><i>Cost</i></b>			
<b>At 1 January 2021 and 31 December 2021</b>	<b>317,356</b>	<b>36,993</b>	<b>354,349</b>
Additions	4,559	-	4,559
Transfers from property, plant and equipment	4,435	-	4,435
<b>At 31 December 2022</b>	<b><u>326,350</u></b>	<b><u>36,993</u></b>	<b><u>363,343</u></b>
 <b><i>Accumulated depreciation</i></b>			
At 1 January 2021	28,426	19,037	47,463
Depreciation charge for the year	2,274	1,839	4,113
<b>At 31 December 2021</b>	<b><u>30,700</u></b>	<b><u>20,876</u></b>	<b><u>51,576</u></b>
Depreciation charge for the year	3,905	1,839	5,744
<b>At 31 December 2022</b>	<b><u>34,605</u></b>	<b><u>22,715</u></b>	<b><u>57,320</u></b>
 <b><i>Carrying amount</i></b>			
<b>At 31 December 2021</b>	<b>286,656</b>	<b>16,117</b>	<b>302,773</b>
<b>At 31 December 2022</b>	<b><u>291,745</u></b>	<b><u>14,278</u></b>	<b><u>306,023</u></b>

The Company determined fair value of investment properties at open market values on an existing use basis. As at 31 December 2022, the fair value was Baht 372 million (2021: Baht 377 million).

The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used, which is discounted cash flows approach.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**9 Property, plant and equipment**

	Land and land improvements	Buildings and structures	Machinery and equipment	Vehicles and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Construction in progress	Total
<b><i>Cost</i></b>							
At 1 January 2021	62,228	177,786	357,438	77,045	69,582	22,728	766,807
Additions	-	45,612	1,173	32,180 (22,429)	4,871	19,098	102,934
Written off	-	-	-	-	-	-	(22,429)
Transfers in (out)	-	533	9,370	-	366	(12,327)	(2,058)
<b>At 31 December 2021</b>	<b>62,228</b>	<b>223,931</b>	<b>367,981</b>	<b>86,796</b>	<b>74,819</b>	<b>29,499</b>	<b>845,254</b>
Additions	-	2,878	15,499	23,534 (44,197)	43,168 (3,716)	21,303	106,382
Disposals / written off	-	(1,114)	(31,433)	-	-	-	(80,460)
Transfers to investment property	-	-	-	-	-	-	(4,435)
Transfers in (out)	-	5,685	14,199	-	127 (21,188)	-	(1,177)
<b>At 31 December 2022</b>	<b>62,228</b>	<b>231,380</b>	<b>366,246</b>	<b>66,133</b>	<b>114,398</b>	<b>25,179</b>	<b>865,564</b>
 <b><i>Accumulated depreciation</i></b>							
At 1 January 2021	12,844	96,587	259,313	22,224	51,619	-	442,587
Depreciation charge for the year	969	18,679	20,502	22,028 (10,105)	5,842	-	68,020
Written off	-	-	-	-	-	-	(10,105)
<b>At 31 December 2021</b>	<b>13,813</b>	<b>115,266</b>	<b>279,815</b>	<b>34,147</b>	<b>57,461</b>	<b>-</b>	<b>500,502</b>
Depreciation charge for the year	970	26,879	17,365 (31,192)	20,861 (21,042)	11,161 (3,716)	-	77,236
Disposals / written off	-	(752)	-	-	-	-	(56,702)
<b>At 31 December 2022</b>	<b>14,783</b>	<b>141,393</b>	<b>265,988</b>	<b>33,966</b>	<b>64,906</b>	<b>-</b>	<b>521,036</b>

**SCG Packaging Public Company Limited**  
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	Land and land improvements	Buildings and structures	Machinery and equipment	Vehicles and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Construction in progress	Total
<i>Carrying amount</i>							
<b>At 31 December 2021</b>							
Owned assets	31,283	42,231	88,166	218	2,564	29,499	193,961
Right-of-use assets	17,132	66,434	-	52,431	14,794	-	150,791
	<b>48,415</b>	<b>108,665</b>	<b>88,166</b>	<b>52,649</b>	<b>17,358</b>	<b>29,499</b>	<b>34,752</b>
<b>At 31 December 2022</b>							
Owned assets	31,264	45,029	100,258	123	1,986	25,179	203,839
Right-of-use assets	16,181	44,958	-	32,044	47,506	-	140,689
	<b>47,445</b>	<b>89,987</b>	<b>100,258</b>	<b>32,167</b>	<b>49,492</b>	<b>25,179</b>	<b>34,528</b>

In 2022, the right-of-use assets of the Company has increased amounting to Baht 67 million (2021: Baht 82 million).

# **SCG Packaging Public Company Limited**

## **Notes to the financial statements**

## **For the year ended 31 December 2022**

## 10 Leases

The Company leases land, buildings, vehicles and office equipment. The rental due and rate are as specified in the contract.

<i>For the year ended 31 December</i>	2022	2021 (in thousand Baht)
<b>Amounts recognized in profit or loss</b>		
Depreciation of right-of-use assets:		
- Land and land improvements	951	951
- Buildings and structures	22,528	14,702
- Vehicles and equipment	20,766	21,932
- Furniture, fixtures and office equipment	9,953	4,480
Interest on lease liabilities	4,214	3,865
Expenses relating to short-term leases	120	327
Expenses relating to leases of low-value assets	18,381	11,718

11 Intangible assets

	Software licenses and others	Development cost	Total
	<i>(in thousand Baht)</i>		
<b><i>Cost</i></b>			
At 1 January 2021	101,401	39,724	141,125
Additions	14,079	100,505	114,584
Transfer in (out)	5,913	(3,855)	2,058
<b>At 31 December 2021</b>	<b>121,393</b>	<b>136,374</b>	<b>257,767</b>
Additions	9,339	190,020	199,359
Disposals	(4,559)	-	(4,559)
Transfer in (out)	29,554	(28,377)	1,177
<b>At 31 December 2022</b>	<b>155,727</b>	<b>298,017</b>	<b>453,744</b>
<b><i>Accumulated amortization</i></b>			
At 1 January 2021	80,615	-	80,615
Amortization charge for the year	10,507	-	10,507
<b>At 31 December 2021</b>	<b>91,122</b>	<b>-</b>	<b>91,122</b>
Amortization charge for the year	13,021	-	13,021
Disposals	(2,448)	-	(2,448)
<b>At 31 December 2022</b>	<b>101,695</b>	<b>-</b>	<b>101,695</b>
<b><i>Carrying amount</i></b>			
<b>At 31 December 2021</b>	<b>30,271</b>	<b>136,374</b>	<b>166,645</b>
<b>At 31 December 2022</b>	<b>54,032</b>	<b>298,017</b>	<b>352,049</b>

**SCG Packaging Public Company Limited**  
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**12 Deferred tax assets (deferred tax liabilities)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the statement of financial position as follows:

	2022 (in thousand Baht)	2021
Deferred tax assets	114,157	104,963
Deferred tax liabilities	(4,569)	(4,942)
<b>Net</b>	<b>109,588</b>	<b>100,021</b>

Movements in total deferred tax assets and liabilities during the years were as follows:

	At 1 January 2021	Credited (charged) to		At 31 December 2021
		profit or loss	other comprehensive income	
(Note 19) (in thousand Baht)				
<b>Deferred tax assets</b>				
Provisions for employee benefits	<b>76,328</b>	<b>30,613</b>	<b>(1,978)</b>	<b>104,963</b>
<b>Deferred tax liabilities</b>				
Derivative assets	(1)	(6)	-	(7)
Financial liabilities	(1,321)	(2,175)	-	(3,496)
Unrealized gain on foreign currency exchange	-	(1,439)	-	(1,439)
<b>Total</b>	<b>(1,322)</b>	<b>(3,620)</b>	<b>-</b>	<b>(4,942)</b>
<b>Net</b>	<b>75,006</b>	<b>26,993</b>	<b>(1,978)</b>	<b>100,021</b>

**SCG Packaging Public Company Limited****Notes to the financial statements****For the year ended 31 December 2022**

	At 1 January 2022	Credited (charged) to		At 31 December 2022
	profit or loss	other comprehensive income		
<i>(Note 19)</i> <i>(in thousand Baht)</i>				
<b>Deferred tax assets</b>				
Provisions for employee benefits	104,963	2,664	5,418	113,045
Lease liabilities	-	1,112	-	1,112
<b>Total</b>	<b>104,963</b>	<b>3,776</b>	<b>5,418</b>	<b>114,157</b>
<b>Deferred tax liabilities</b>				
Derivative assets	(7)	7	-	-
Financial liabilities	(3,496)	(1,073)	-	(4,569)
Unrealized gain on foreign currency exchange	(1,439)	1,439	-	-
<b>Total</b>	<b>(4,942)</b>	<b>373</b>	<b>-</b>	<b>(4,569)</b>
<b>Net</b>	<b>100,021</b>	<b>4,149</b>	<b>5,418</b>	<b>109,588</b>

The deductible temporary differences and unused tax losses that the Company has not recognized as deferred tax assets are as the following items:

	2022	2021
	<i>(in thousand Baht)</i>	
Temporary differences		
- Other current receivables	16,963	16,963
- Investment in subsidiaries	121,117	64,035
- Others	-	34,036
Unused tax losses	-	543,409
<b>Total</b>	<b>138,080</b>	<b>658,443</b>

### 13 Other current payables

	2022	2021
	<i>(in thousand Baht)</i>	
Accrued interest		
Withholding tax payable	111,854	39,580
Accrued expenses	70,722	79,779
Value added tax payable	24,962	40,592
Account payables from purchases of assets	14,492	7,330
Others	9,923	5,713
<b>Total</b>	<b>60,667</b>	<b>48,524</b>
	<b>292,620</b>	<b>221,518</b>

**SCG Packaging Public Company Limited**  
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**14 Interest-bearing liabilities**

	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Current</i></b>		
- Unsecured		
Short-term borrowings from financial institutions	2,940,000	16,380,000
Current portion of lease liabilities	61,699	53,113
Short-term borrowings from relates parties	120,736	118,073
	<b><u>3,122,435</u></b>	<b><u>16,551,186</u></b>
<b><i>Non-current</i></b>		
- Unsecured		
Long-term borrowings from financial institutions	9,992,551	9,989,467
Lease liabilities	93,455	112,021
Debentures	15,484,603	5,493,051
	<b><u>25,570,609</u></b>	<b><u>15,594,539</u></b>
<b>Total interest-bearing liabilities</b>	<b><u>28,693,044</u></b>	<b><u>32,145,725</u></b>

On 24 September 2021, the Company had entered into a long-term loan agreement with local financial institution amounting to Baht 5,000 million. This long-term loan is the 4-year Sustainability-Linked Loan (SLL) with fixed interest rate and the interest rates will be adjusted down in line with operational achievements of Sustainability Performance Targets or SPTs according to the agreement. As at 31 December 2021, the Company has already withdrawn all loan.

As at 31 December 2022, short-term borrowings from financial institutions of the Company has an average interest rate at 1.40% per annum (*2021: 0.58% to 0.67% per annum*).

As at 31 December 2022, long-term borrowings from financial institutions of the Company has an average interest rate from 1.72% to 2.25% per annum (*2021: 1.75% to 2.25% per annum*). These agreements will be due within September 2025.

***Debentures***

As at 31 December 2022, the Company has unsubordinated and unsecured debentures totaling Baht 15,500 million (*2021: Baht 5,500 million*) as follows:

Debentures no.	2022 <i>(in thousand Baht)</i>	2021 <i>(in thousand Baht)</i>	Interest rate (%p.a.)	Term	Maturity date
1/2021	5,500,000	5,500,000	2.65	3 years 8 months	1 December 2024
1/2022	5,000,000	-	2.80	2 years 10 months	1 June 2025
2/2022	<u>5,000,000</u>	<u>-</u>	3.50	4 years	1 December 2026
Total	15,500,000	5,500,000			
<i>Less debentures issuing expenses</i>	<u>(15,397)</u>	<u>(6,949)</u>			
<b>Net</b>	<b><u>15,484,603</u></b>	<b><u>5,493,051</u></b>			

**SCG Packaging Public Company Limited****Notes to the financial statements****For the year ended 31 December 2022****15 Non-current provisions for employee benefits**

The Company operates defined benefits plans based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

*Non-current provisions for employee benefits in statement of financial position as at 31 December*

	2022 (in thousand Baht)	2021
Post-employment benefits - legal severance payments plan	519,448	508,434
Other long-term employee benefits	16,186	16,384
<b>Total</b>	<b>535,634</b>	<b>524,818</b>

*Movements in the present value of non-current provisions for defined benefit plans*

	2022 (in thousand Baht)	2021
Non-current provisions for defined benefit plans at 1 January	524,818	381,643
<b>Included in profit or loss</b>		
Current service costs	26,095	25,427
Interest on obligation	10,435	7,182
Actuarial losses	1,584	909
Transfer of non-current provisions for employee benefits from (to) related party	(44,775)	140,938
	<b>(6,661)</b>	<b>174,456</b>
<b>Included in other comprehensive income</b>		
Actuarial losses (gains)	37,536	(8,980)
<b>Others</b>		
Benefits paid	(20,059)	(22,301)
<b>Non-current provisions for defined benefit plans at 31 December</b>	<b>535,634</b>	<b>524,818</b>

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2022 (in thousand Baht)	2021
<b>For the years ended 31 December</b>		
Demographic assumptions	53,148	28,735
Financial assumptions	(50,523)	(41,976)
Experience adjustment	34,911	4,261
<b>Total</b>	<b>37,536</b>	<b>(8,980)</b>

## SCG Packaging Public Company Limited

### Notes to the financial statements

For the year ended 31 December 2022

#### ***Actuarial assumptions***

*Principal actuarial assumptions as of the end of the reporting period*

	2022	2021
	(%)	
Discount rate *	2.92 - 3.02	2.06 - 2.15
Salary increase rate	1.00 - 7.00	1.00 - 7.46
Employee turnover rate **	2.00 - 8.00	3.00 - 8.00
Mortality rate ***	100.00 of TMO 2017	100.00 of TMO 2017

\* Market yields on government's bonds for legal severance payments plan

\*\* Upon the length of service

\*\*\* Reference from TMO2017: Thai Mortality Ordinary Table 2017

As at 31 December 2022, the Company has the weighted-average duration for payment of long-term employee benefits approximately 14 years (2021: 15 years).

#### ***Sensitivity analysis***

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

#### ***Effect on the non-current provisions for defined benefit plans at 31 December***

	Increase (decrease)	
	2022	2021
	<i>(in thousand Baht)</i>	
Discount rate		
0.5% increase	(27,247)	(28,568)
0.5% decrease	29,503	31,057
Salary increase rate		
1.0% increase	58,679	59,973
1.0% decrease	(51,154)	(52,031)
Employee turnover rate		
10.0% increase	(11,741)	(17,868)
10.0% decrease	12,106	18,730

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**SCG Packaging Public Company Limited**  
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**16 Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

**17 Administrative expenses**

	2022 (in thousand Baht)	2021
Salary, welfare and personnel expenses	1,858,357	1,841,025
Service expenses	138,709	130,066
Rent, depreciation and amortization expenses	126,166	103,855
IT fees	97,183	86,058
Professional and consultant fees	72,717	52,015
Others	173,579	138,332
<b>Total</b>	<b><u>2,466,711</u></b>	<b><u>2,351,351</u></b>

**18 Employee benefit expenses**

	2022 (in thousand Baht)	2021
Salary and wages	1,464,713	1,391,457
Welfares and others	201,511	144,804
Contribution to defined contribution plans	118,121	108,073
Contribution to defined benefit plans	(6,661)	174,456
<b>Total</b>	<b><u>1,777,684</u></b>	<b><u>1,818,790</u></b>

The defined contribution plans comprise provident funds established by the Company for its employees. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 5% to 13% of the members' basic salaries, depending on the length of employment.

**19 Income tax**

	Note	2022 (in thousand Baht)	2021
<b>Income tax recognized in profit or loss</b>			
<b>Current tax</b>			
Current year		10,228	-
<b>Deferred tax</b>			
Movements in temporary differences	12	(4,149)	(26,993)
<b>Total</b>		<b><u>6,079</u></b>	<b><u>(26,993)</u></b>
<b>Income tax recognized in other comprehensive income</b>			
Gains (losses) on remeasurement of defined benefit plans	12	<b><u>(7,507)</u></b>	<b><u>1,978</u></b>

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
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***Reconciliation of effective tax rate***

	Rate (%)	2022 (in thousand Baht)	Rate (%)	2021 (in thousand Baht)
Profit before income tax		<u>3,439,929</u>		<u>3,983,502</u>
Income tax using the Thai corporation tax rate	20	687,986	20	796,700
Income not subject to tax		(571,634)		(705,262)
Expenses deductible at a greater amount		(11,555)		(29,345)
Expenses not deductible for tax purposes and others		15,561		32,358
Tax losses		<u>(110,130)</u>		<u>(94,451)</u>
<b>Current tax</b>		<b>10,228</b>		-
Movement in temporary differences		(4,149)		(26,993)
<b>Income tax expense (benefit)</b>	<b><u>0.2</u></b>	<b><u>6,079</u></b>	<b><u>-</u></b>	<b><u>(26,993)</u></b>

**20 Dividends**

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Dividend rate <i>(Baht)</i>	Amount <i>(in million Baht)</i>
<b>2022</b>				
Annual dividend 2021	29 March 2022	25 April 2022	0.40	1,717
Interim dividend 2022	26 July 2022	24 August 2022	0.25	1,073
<b>Total</b>			<b><u>0.65</u></b>	<b><u>2,790</u></b>
<b>2021</b>				
Annual dividend 2020	30 March 2021	22 April 2021	0.45	1,931
Interim dividend 2021	27 July 2021	25 August 2021	0.25	1,073
<b>Total</b>			<b><u>0.70</u></b>	<b><u>3,004</u></b>

**SCG Packaging Public Company Limited**  
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**21 Financial instruments**

*(a) Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

	<b>Carrying amount</b>			<b>Fair Value</b>
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total
<i>(in thousand Baht)</i>				
<b><i>Balance at</i></b>				
<b><i>31 December 2022</i></b>				
<b><i>Financial assets</i></b>				
Cash and cash equivalents	-	-	4,890,048	4,890,048
Loans to related parties	-	-	<u>40,387,271</u>	<u>40,387,271</u>
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b><u>45,277,319</u></b>	<b><u>45,277,319</u></b>
<b><i>Financial liabilities</i></b>				
Borrowings from financial institutions	-	-	12,932,551	12,932,551
Borrowings from related parties	-	-	120,736	120,736
Lease liabilities	-	-	155,154	155,154
Debentures	-	-	<u>15,484,603</u>	<u>15,484,603</u>
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b><u>28,693,044</u></b>	<b><u>28,693,044</u></b>

**SCG Packaging Public Company Limited****Notes to the financial statements****For the year ended 31 December 2022**

	<b>Carrying amount</b>				<b>Fair Value</b>	
	<b>Fair value through profit or loss</b>	<b>Fair value through other comprehensive income</b>	<b>Amortized cost</b>	<b>Total</b>		
<i>(in thousand Baht)</i>						
<i>Balance at</i>						
<i>31 December 2021</i>						
<b>Financial assets</b>						
Cash and cash equivalents	-	-	331,908	331,908		
Investments in short-term debt instrument - Fund	12,106,320	-	-	12,106,320	12,106,320	
Loans to related parties	-	-	43,384,481	43,384,481		
Derivatives assets	33	-	-	33	33	
<b>Total financial assets</b>	<b>12,106,353</b>	<b>-</b>	<b>43,716,389</b>	<b>55,822,742</b>		
<b>Financial liabilities</b>						
Borrowings from financial institutions	-	-	26,369,467	26,369,467		
Borrowings from related parties	-	-	118,073	118,073		
Lease liabilities	-	-	165,134	165,134		
Debenture	-	-	5,493,051	5,493,051	5,538,286	
Derivatives liabilities	4	-	-	4	4	
<b>Total financial liabilities</b>	<b>4</b>	<b>-</b>	<b>32,145,725</b>	<b>32,145,729</b>		

On 1 February 2021, the Company invested in a mutual fund with an asset management company amounting to Baht 12,000 million which is measured at FVTPL with an average rate of return of approximately 1% per year and holding period of approximately 1 year. Later In the first quarter of 2022, the Company got the proceed from selling back its maturity investment in a mutual fund in the amounting to Baht 12,122 million and primarily used for repayment of short-term borrowing from financial institutions.

**Financial instruments measured at fair value**

The Company determined Level 2 fair values for financial assets and financial liabilities using valuation techniques as follows:

- Investment in debt instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar financial instrument at the measurement date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate.
- Derivatives assets and liabilities such as forward exchange contracts were calculated using the rates initially quoted by the Company's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts.

**SCG Packaging Public Company Limited****Notes to the financial statements****For the year ended 31 December 2022****Financial instruments measured at amortized cost**

The Company determined Level 2 fair values for debentures based on quoted selling price from the Thai Bond Market Association at the closing price on the end of the reporting period.

**(b) Financial risk management policies*****Risk management framework***

The Company's Finance Committee has responsibility for the establishment of financial risk management policies and guidelines including foreign currency risk related to capital expenditures, investment, borrowing, deposit and international trade transaction. This also includes establishing policies and overseeing the process of financial derivatives and cash management for efficiency of the Company's financial operation under risk appetite and consistent practice. The policies are appropriately reviewed to the changing situation. The Company's Finance Committee monitors financial status and reports regularly to the Company's Management Committee.

**(1) Credit risk**

Credit risk is the risk of Company's financial loss to the Company if a customer or a financial counterparty fails to meet its contractual obligations.

**(1.1) Cash and cash equivalent and derivatives**

The Company's credit risk arising from cash and cash equivalents and derivative is limited because the counterparties are banks and financial institutions which the Company considers having low credit risk.

**(1.2) Investment in debt instruments**

The Company's credit risk is limited by investing only in high liquidity and credibility debt instruments.

**SCG Packaging Public Company Limited**  
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**(2) Liquidity risk**

The Company oversees its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Company's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rates (%p.a.)	Within 1 year	but within 5 years	After 5 years (in thousand Baht)	Total
<b>2022</b>					
Short-term borrowings from financial institutions	1.40	2,940,000	-	-	2,940,000
Short-term borrowings from related parties	0.30	120,736	-	-	120,736
Long-term borrowings from financial institutions	1.72 - 2.25	-	9,992,551	-	9,992,551
Finance lease liabilities	2.02 - 3.84	64,883	84,951	16,329	166,163
Debentures	2.65 - 3.50	-	15,484,603	-	15,484,603
<b>Total</b>		<b>3,125,619</b>	<b>25,562,105</b>	<b>16,329</b>	<b>28,704,053</b>
<i>Less Deferred interest expense - finance lease liabilities</i>					<u>(11,009)</u>
<b>Net</b>					<b><u>28,693,044</u></b>
<b>2021</b>					
Short-term borrowings from financial institutions	0.58 - 0.67	16,380,000	-	-	16,380,000
Short-term borrowings from related parties	0.25	118,073	-	-	118,073
Long-term borrowings from financial institutions	1.75 - 2.25	-	9,989,467	-	9,989,467
Finance lease liabilities	1.40 - 3.84	56,812	103,353	17,691	177,856
Debenture	2.65	-	5,493,051	-	5,493,051
<b>Total</b>		<b>16,554,885</b>	<b>15,585,871</b>	<b>17,691</b>	<b>32,158,447</b>
<i>Less Deferred interest expense - finance lease liabilities</i>					<u>(12,722)</u>
<b>Net</b>					<b><u>32,145,725</u></b>

**SCG Packaging Public Company Limited****Notes to the financial statements****For the year ended 31 December 2022****(3) Market risk**

The Company has to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

**(3.1) Foreign currency risk**

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

The Company has foreign exchange risk arises from the fluctuation of foreign exchange rate from purchases, sales, payment of machines and equipment and other receipt and payment which are denominated in foreign currencies. The Company manage that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the end of the reporting period also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at 31 December, the Company has significant foreign currency risk from foreign currency assets and liabilities are as follows.

	US Dollars	Euro	Others (in thousand Baht)	Total
<b>2022</b>				
Other payables	(2,752)	(4)	(1,477)	(4,233)
<b>Net statement of financial position exposure</b>	<b>(2,752)</b>	<b>(4)</b>	<b>(1,477)</b>	<b>(4,233)</b>
<b>2021</b>				
Other receivables	24,932	-	-	24,932
Short-term loan to related parties	2,531,176	-	-	2,531,176
Other payables	(6,486)	(109)	-	(6,595)
<b>Net statement of financial position exposure</b>	<b>2,549,622</b>	<b>(109)</b>	<b>-</b>	<b>2,549,513</b>
Forward exchange buying contracts	12,666	1,055	-	13,721
<b>Net exposure</b>	<b>2,562,288</b>	<b>946</b>	<b>-</b>	<b>2,563,234</b>

*Sensitivity analysis*

A reasonably possible strengthening and weakening of functional currency against foreign currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

## SCG Packaging Public Company Limited

### Notes to the financial statements

For the year ended 31 December 2022

<i>Impact to profit or loss</i>	Movement (%)	Strengthening (in thousand Baht)	Weakening
<b>2022</b>			
US Dollars	1	27	(27)
Other	1	15	(15)
<b>2021</b>			
US Dollars	1	(25,756)	25,756
Euro	1	(9)	9

#### (3.2) Interest rate risk

Interest rate risk is the risk caused from future movements in market interest rates that will affect the results of the Company's operations and its cash flows certainly. The Company is exposed to interest rate risk which mainly come from its borrowings from financial institution. The Company mitigates this risk by ensuring that the majority of borrowings are at fixed interest rates to manage exposure to fluctuations in interest rates on specific borrowings.

<i>Exposure to interest rate risk at 31 December</i>	2022 (in thousand Baht)	2021
<b><i>Financial instruments with variable interest rates</i></b>		
Financial assets	40,387,271	43,384,481
Financial liabilities	(3,060,736)	(16,498,073)
<b>Net statement of financial position exposure</b>	<b><u>37,326,535</u></b>	<b><u>26,886,408</u></b>

#### *Cash flow sensitivity analysis for variable-rate instruments*

A reasonable possible change of 1% in interest rates at 31 December would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<i>Impact to profit or loss</i>	1% increase in interest rate (in thousand Baht)	1% decrease in interest rate (in thousand Baht)
<b>2022</b>		
Financial instruments with variable interest rate	373,265	(373,265)
<b>Cash flow sensitivity</b>	<b><u>373,265</u></b>	<b><u>(373,265)</u></b>
<b>2021</b>		
Financial instruments with variable interest rate	268,864	(268,864)
<b>Cash flow sensitivity</b>	<b><u>268,864</u></b>	<b><u>(268,864)</u></b>

**SCG Packaging Public Company Limited****Notes to the financial statements****For the year ended 31 December 2022****22 Capital management**

The management of the Company has a capital management policy with the objective to maintain a strong capital base by emphasizing on planning and determining operating strategies that will ensure a sustainable business performance and cash flow management. In addition, the Company also considers to have a strong financial foundation. Therefore, the Company have considered in investing in projects that have good rate of return, maintaining appropriate working capital, as well as having a sufficient cash reserves and an appropriate investment structure to have a firm operating business in the future and maintain the confidence of shareholders, investors, creditors, and other stakeholders.

**23 Events after the reporting period**

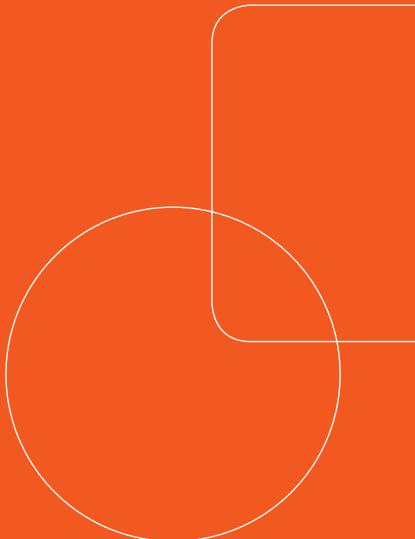
On 24 January 2023, at the Board of Directors' Meeting of the Company, the directors proposed for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2022 at the rate of Baht 0.60 per share, totaling approximately Baht 2,576 million. An interim dividend of Baht 0.25 per share was paid on 24 August 2022, as disclosed in note 20. The final dividend will be at the rate of Baht 0.35 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 1,503 million and is scheduled for payment on 24 April 2023. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 28 March 2023.

**24 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective**

The Federation of Accounting Professions has issued and revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2023 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Company has assessed the potential initial impact on the financial statements of these issued and revised TFRSs and expected that there will be no material impact on the financial statements in the year of initial application.



**FULFILLING BETTER WAYS OF LIFE  
WITH SUSTAINABLE GROWTH**





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**SCG Packaging**

**Corporate Governance Handbook**

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Remark: The Company has revised the executives' titles referred to in policies to align with the revisions of executives' titles during the year, to be effective from December 1, 2020.

## Message from the Board of Directors

SCG Packaging Public Company Limited (“the Company”) has continuously carried on its business under the thorough supervision of the Board of Directors to fulfill its commitment to just and responsible business conduct towards every stakeholder. All of this is achieved under the Code of Conduct, which is constantly reviewed and adjusted to reflect economic and social changes on the basis of balanced and sustainable growth.

The Board of Directors has deemed that the principle of Corporate Governance is a universally-accepted organizational management guideline that closely corresponds with the Company’s core values and Code of Conduct.

Such principle not only build trust and confidence in shareholders, investors, or stakeholders of all parties, but also brings benefits and favorable business performance to the Company while strengthening its competitiveness and sustainable growth. The Board of Directors, therefore, establishes policies, measures and practices for Corporate Management in alignment with the Corporate Governance principle. These are to be used by the directors, the executives and the employees as guidelines to conduct business in a beneficial way to add sustained values to the business, and are complied in this Corporate Governance Handbook.

The Board of Directors believes that the Company’s Corporate Governance principle shall serve as a management system which delivers fairand transparent treatment to the shareholders as well as adding long-term profits and values to the shareholders, all the while building trust in all stakeholders and promoting the Company’s competitiveness for sustainable growth.

As an individual prospers in life through moral conduct,  
so does a company through ethical practices.

## Part 1: SCG Packaging's Structure and Mechanisms for Corporate Governance

### **1.1 SCG Packaging's Core Values**

(Resolutions of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019.)

The present prosperity, success, and stability of SCG Packaging are the result of doing business according to its ethical core values – the ideals that have been held in high regard and put into practice by the Board of Directors, by Management, and by staff at all levels. They are:

**Adherence to Fairness**

**Dedication to Excellence**

**Belief in the Value of the Individual**

**Concern for Social Responsibility**

#### **Adherence to Fairness**

It is the responsibility of SCG Packaging to ensure that all who come in contact with us are treated with equal fairness. For example:

- Customers who use our goods and services will obtain maximum benefit in terms of quality and cost.
- Shareholders will receive a proper rate of return on their investment.
- Employees will enjoy both appropriate compensation and a good standard of living.
- All groups of stakeholders will be fairly treated.

#### **Dedication to Excellence**

SCG Packaging is dedicated to right conduct and achieving the best results in all we undertake.

All employees and persons who come into contact with SCG Packaging recognize the total effort, knowledge, and skill we devote to constantly improving what we do. We strive to learn and pursue whatever we can to help us overcome obstacles and advance in the path of growth and sustainability. This dedication will generate the best results for both SCG Packaging and all stakeholders.

### **Belief in the Value of the Individual**

SCG Packaging is convinced that each of our staff constitutes our most valuable assets.

SCG Packaging has managed to prosper through the efforts of our good and knowledgeable people, who have chosen to spend their careers with us. We select the most ethical and capable individuals we can find, and then enrich them to cope with challenges of our changing times. In return, we provide all our employees with security and a sense of belonging. With such care and concern between the company and staff, little wonder that our personnel work so hard and skillfully for the progress of SCG Packaging.

### **Concern for Social Responsibility**

SCG Packaging behaves as a good corporate citizen in all communities and countries where we operate. We diligently perform our social duties and responsibilities while engaging in activities to preserve natural resources and sustainability of the environment.

## **1.2 SCG Packaging's Code of Conduct**

(Resolutions of the meeting of the Board of Directors no. 236 (4/2022) on May 24, 2022)

### **Who has to be obliged to observe SCG Packaging's Code of Conduct?**

All employees of SCG Packaging are obliged to observe the principles and guidelines of SCG Packaging's Code of Conduct, and the Directors must serve as role models of such conduct.

### **What do you have to do with SCG Packaging's Code of Conduct?**

1. **Acquire** an understanding of the principles and guidelines of SCG Packaging's Code of Conduct especially those relating to your duties and responsibilities.
2. **Consult** your superior or enquire in SCG Packaging consulting system when you are not sure if what you are going to do complies with SCG Packaging's Code of Conduct.
3. **Convey** your knowledge and understanding of business conduct of SCG Packaging staffs according to SCG Packaging's Code of Conduct to others you work with or who are involved with SCG Packaging.
4. **Inform** when you find non-compliance with SCG Packaging's Code of Conduct via assigned channel and give cooperation to fact-finding investigation.

### **What happens if one does not comply with SCG Packaging's Code of Conduct?**

- Failure to comply with the principles and guidelines of SCG Packaging's Code of Conduct may result in disciplinary or legal action as the case may be subject to penalties pursuant to specified regulations.
- Besides failure to comply with SCG Packaging's Code of Conduct as mentioned above, supporting others to breach SCG Packaging's Code of Conduct, ignoring when a non-compliance with SCG Packaging's Code of Conduct is noticed, obstructing of an investigation process and unfair treatment to fact providers are also considered non-compliance with SCG Packaging's Code of Conduct.

### **What should you do when finding Non-compliance with SCG Packaging's Code of Conduct?**

SCG Packaging provides the Whistleblowing System which is a complaint system in line with international standard. In case you learn about or notice any action or become a victim of corruption and violation of laws, regulations, company's rules and code of conduct, you can inform of such action by following these procedures:

- Report to complaint receiver via the assigned channels. However, the information must not be false or made up to defame others which are considered disciplinary guilt according to human resource management regulations.
- SCG Packaging has complaint handling and whistleblower protection procedures.

### **How Are Complainants/Whistleblower Protected?**

SCG Packaging's Whistleblowing Policy protects and ensures fairness to any person who lodges complaints, reports, or provides information regarding fraud, breaches of state laws and regulations, or non-compliance with the rules, the Company's Articles of Association and SCG Packaging's Code of Conduct, as detailed below:

1. If the complainant/ whistleblower/ informant chooses to disclose their identities, the company will be able to inform them of progress or their findings or compensates them more quickly and easily.
2. SCG Packaging regards relevant information as confidential, and will disclose only as necessary to ensure the safety of, and prevent harm to the complainant/whistleblower/informant, their sources, and other individuals involved.
3. If the complainant/whistleblower/informant believes that they will be under threat or harmful, they may ask the company to provide appropriate protection, or the company may provide such protection without their request if it is believed that danger or harm will likely occur.
4. SCG Packaging takes a fair and suitable approach without retaliation, harassment, or discrimination when engaging with the complainant/whistleblower/informant who reports fraud, breaches of state laws or regulations, non-compliance with the Company's Articles of Association or the SCG Packaging's Code of Conduct, even in the event that they file a lawsuit, testify, give a testimony, or cooperate with a court or a government agency. Failure to comply with this approach is considered a breach of discipline and subject to disciplinary action as well as any applicable legal punishment.
5. Those who incur harm will be compensated in a fair and appropriate manner.

More information can be found in the SCG Packaging's Whistleblowing Policy on [www.scgpackaging.com](http://www.scgpackaging.com)

## Guidelines of SCG Packaging's Code of Conduct

### 1. Human and Labor Rights

SCG Packaging aspires to conduct business with integrity and responsibility towards society and all stakeholders. Therefore, the Company recognizes the significance of respecting the human rights of every individual, treating everyone according to human rights principles, avoiding any action that constitutes a human right violation, as well as promoting human rights. This also includes the treatment of labor in accordance with human rights principles, labor laws, and relevant regulations on the basis of fairness.

Respect for human rights and fair treatment of labor apply to all direct business activities of SCG Packaging as well as the activities of its suppliers and contractors in the business value chain and joint ventures.

### 2. Environment, Health and Safety

#### 2.1 Environment

SCG Packaging is committed to environmental conservation and management across its value chain. To this end, the Company encourages compliance with laws and its Environmental and Climate Policy as well as requires the same level of environmental practices with SCG Packaging's Environmental and Climate Policy as a baseline standard among all suppliers, direct and indirect service providers, key business partners, and business associates in, for instance, non-executive operations, external procurement, greenfield projects and renovation projects, agreement making, as well as mergers and acquisitions. SCG Packaging also cultivates consciousness about these issues among its employees and all parties involved in its business operations in order to promote compliance with related practices, incorporate environmental management into the organizational culture, and encourage concrete implementation.

#### 2.2 Health and Safety

SCG Packaging places great emphasis on the health and safety of employees, suppliers, customers, communities, and stakeholders across the value chain, encompassing the manufacturing process, service and solution provision, as well as logistics and transportation, both in local and overseas offices. Health and safety impact assessment and risk management must be conducted before making any investment, entering into any joint venture, or initiating greenfield projects or renovation/ improvement projects. All facilities, manufacturing processes, technology, machines, equipment, raw materials, services, logistics, and transportation must be taken care of to ensure the health and safety of all relevant stakeholders. In addition, health and safety awareness must be cultivated among employees and related parties to ensure compliance with relevant practices.

### **2.3 Safety of Products and Services**

SCG Packaging ensures that all products and services meet safety standards as stipulated by domestic laws, industrial standards, and relevant international standards as well as meet the specifications as agreed with the customer. This applies to the entire life cycle and value chain, from product design, manufacturing, transportation, storage, usage, and end-of-life management. Sufficient information, warnings, and instructions must be provided to ensure customer safety through the life cycle of a product and service. Particular attention must be paid to the safety of all products that SCG Packaging hires others to produce, imports, or uses in sale promotion activities.

### **3. Anti-Corruption**

SCG Packaging's business should be conducted with stakeholders in correct, transparent, honest and traceable ways with no corruption. The business must comply with relevant laws and SCG Packaging's Anti-Corruption Policy ensuring it shall not cause condemnation or loss of reputation.

### **4. Gifts and Entertainment**

Receiving and giving benefits including items of value, services, facilitating or entertainment with persons involved in business must be made in accordance with the customs of each locality or country and relevant laws, provided that the value of such is appropriate and it will not motivate an unfair decision making.

### **5. Conflicts of Interest**

SCG Packaging is determined to do right things with an aim for excellence. Therefore, employees must aim to maximize SCG Packaging's benefits, comply with the laws and ethics, and avoid action creating conflicts of interest that may affect any decision.

### **6. Political Activities**

SCG Packaging maintains political neutrality and does not support or make contributions, financial or otherwise, to any particular political party, political coalition, person with political influence, or political candidate on a local, regional or national level, either directly or indirectly. Nonetheless, SCG Packaging recognizes and respects the political rights of its employees as good citizens, as stipulated in the constitution, such as the right to express political opinions within the bounds of the law, vote, or join a political party.

### **7. Handling of Information and Assets**

#### **7.1 Personal Information**

SCG Packaging respects the privacy of its customers, shareholders, employees, and other related parties. Any activity related to personal data, including the collection, use, and disclosure of such data, is carried out in such a manner that ensures that the rights of the data owner are fully protected in compliance with the law and SCGP Privacy Policy.

## **7.2 Recording, Reporting, and Storing Information**

SCG Packaging has realized the importance of internal information management. Recording and storing of information must comply with SCG Packaging's standard and be complete as prescribed by law. For storing, all employees are obligated to ensure that the information involved with their work remains safe and available for reference or use by SCG Packaging whenever needed.

## **7.3 Buying and Selling Securities and Use of Inside Information**

Use of inside information which is material must be appropriately done considering impacts on all stakeholders and legitimacy. The information must not be used for personal or other people's benefits.

## **7.4 Use and Protection of Company's Assets**

SCG Packaging has made efficient and full use of its assets and promoted the employees to protect them from damage, loss or personal use for themselves and other people.

## **7.5 Use and Protection of Information Technology System**

SCG Packaging desires that information technologies are used efficiently and safely according to SCG Packaging e-Policy to protect and preserve them from infringement or use without permission.

## **7.6 Use and Protection of Intellectual Property**

SCG Packaging regards intellectual property as valuable assets to SCG Packaging. Employees must strictly follow established 'SCG Packaging Intellectual Property (IP) Policy' and protect SCG Packaging's intellectual property from unauthorized use or disclosure and must respect and not infringe other people's intellectual properties.

# **8. Information Disclosure and Communication**

## **8.1 Information Disclosure**

SCG Packaging's disclosure of information is based on fairness, transparency and traceability. It must be ensured that the information is correct, clear, current, and compliant with law on fair basis regardless of format as written and verbal, press conference or any other manner.

## **8.2 Communication**

SCG Packaging's communication including SCG Packaging brand communication to internal and external target, marketing communication of brands in SCG Packaging, use of SCG Packaging logo and communication via social media must be properly and accurately done considering fairness to every stakeholder and must not lead to damages to SCG Packaging. The Brand Communication Guidelines and SCG Packaging Social Media Policy should be strictly observed.

## **9. SCG Packaging's Transactions**

### **9.1 Transactions between Companies in SCG Packaging**

Any business or work that incurs related transaction between SCG Packaging group of companies must abide by the laws and regulations issued by state agencies; policies, practices, regulations and the Delegation of Authority of SCG Packaging; and the principles and conditions prescribed in each locality.

### **9.2 Transactions between SCG Packaging and External Parties**

Transactions with external parties must strictly comply with guidelines and procedure as specified by laws and regulations issued by state agencies as well as SCG Packaging's policy and delegation of authority. Moreover, it must comply with the conditions agreed upon straightforwardly, transparently and traceably. Avoid transactions that may cause trouble or damage to SCG Packaging or external parties.

## **10. Doing Business Abroad and International Trading**

### **10.1 Doing Business Abroad**

All of SCG Packaging business operation abroad including establishing a company, plant, office, branch, agent; trading with dealer; or doing acquisition overseas must comply with the laws and rules applicable in that country which SCG Packaging has invested and perform as good citizen in each locality. Moreover, such business operation must also take into account the circumstances, customs, traditions, and culture of each locality.

### **10.2 International Trading**

Import and export of products or any transactions of SCG Packaging relating to foreign countries must strictly comply with relevant laws such as laws on import and export, customs act, product safety and consumer protection laws including relevant SCG Packaging's regulations and guidelines.

## **11. Business Competition**

SCG Packaging is committed to fair business practices in compliance with the law and takes into account ethical trade practices when conducting business with its customers, suppliers and business partners, fair competition with other business operators, and trade competition laws of every country where SCG Packaging conducts business. In addition, SCG Packaging shall not engage in any act that may result in unfair trade or obstruct free competition and shall comply with its relevant policies and practices.

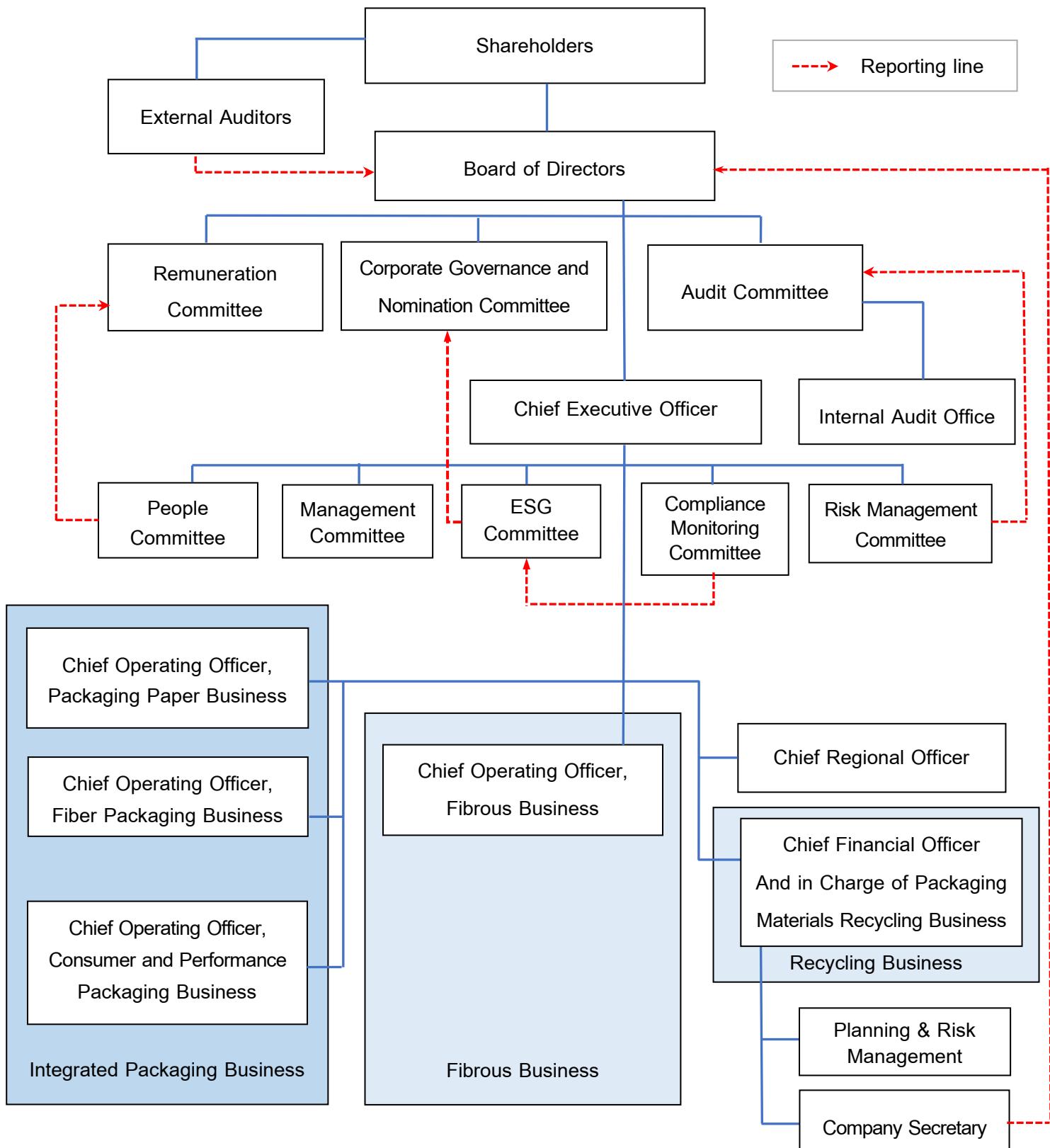
## **12. Anti-Laundering Measures**

SCG Packaging complies with all guidelines and laws pertaining to the suppression of money laundering. SCG Packaging will not accept transfers or conversions of assets or support such actions insofar as they are related to criminal activities, and will prevent anyone using SCG Packaging as a channel or instrument for the dispersion or concealment of illegally obtained assets.

More information can be found in SCG Packaging's Code of Conduct on [www.scgpackaging.com](http://www.scgpackaging.com)

### 1.3 SCG Packaging's Corporate Governance Structure

(Resolution of the Meeting of the Board of Directors no. 240 (8/2022) on November 29, 2022, effective from November 29, 2022)



## **1.4 SCG Packaging's Corporate Governance Policy**

(Resolution of meeting of the Board of Directors no. 216 (12/2019) held on December 16, 2019)

SCG Packaging operates its business with responsibility, transparency and fairness, while adhering to the principles that have been practiced through generations under SCG Packaging's Code of Conduct as well as operates on the basis of balanced and sustainable success, with the Company's Board and top executives serving as role models in adhering to SCG Packaging's Code of Conduct and Corporate Governance principles.

SCG Packaging's corporate governance is considered an integral part of its business policy. The Corporate Governance and Nomination Committee is entrusted with overseeing SCG Packaging's corporate governance matters, encompassing the establishment of policy and guidelines as well as monitoring the performances of the Board of Directors and the Management to ensure their compliance with SCG Packaging's corporate governance policy. The Committee also monitors and evaluates the corporate governance practices, and regularly conducts annual reviews of the guidelines to ensure their alignment with business operations and corporate governance practices on national and international levels. Moreover, corporate governance shall be specified as one of the main items on the agenda at the Board of Directors' meeting.

In addition to matters specified in the Corporate Governance Handbook, SCG Packaging also mutatis mutandis carries out the business in compliance with the corporate governance principles of The Siam Cement Public Company Limited.

## Part 2: SCG Packaging's Corporate Governance Policies and Guidelines

### 2.1 Policies and Guidelines for Directors and Executives

#### 2.1.1 Charter of the Board of Directors

(Resolutions of the meeting of the Board of Directors no. 231 (7/2021) on October 26, 2021, effective from October 26, 2021)

The Board of Directors is the driving force of the organization. Its roles and duties are to set strategies and policies pertaining to business operation of the Company as well as governing the Company and its subsidiaries. The Board of Directors must perform its duties accountably, carefully, prudently and loyally, and must protect the interests of the Company and its subsidiaries in order to maximize the long-term benefits of shareholders.

The Board of Directors must act in all fairness to all stakeholders in accordance to the principles of good corporate governance as well as monitoring the operations of the Company and its subsidiaries to comply with laws, objectives, regulations and resolutions of the Board of Directors as well as the shareholders. In addition, the board plays an important role in overseeing and assessing the performances of the Company's executives and the Chief Executive Officer to ensure the accomplishment of action plans of the Company and its subsidiaries.

The meetings of the Board of Directors no. 210 (6/2019) and 212 (8/2019) 221 (5/2020) and 231 (7/2564) have thus resolved to adopt this Charter of the Board of Directors so that every director is aware of his/her duties and responsibilities and performs them correctly and completely.

#### 1. Scope of Duties

The duties of the Board of Directors are as follows:

Take responsibility as the leaders who sustainably bring value to the Company's business

1.1 Directing for the best interests of the Company, its subsidiaries and shareholders (Fiduciary Duty) by abiding by the following four main practices:

1.1.1 Performing its duties with responsibility and all due circumspection and caution (Duty of Care).

1.1.2 Performing its duties with faithfulness and honesty (Duty of Loyalty).

1.1.3 Performing its duties in compliance with laws, objectives, the Company's Articles of Association, resolutions of the Board of Directors, and resolutions of general meeting of shareholders (Duty of Obedience).

1.1.4 Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness. (Duty of Disclosure).

- 1.2 Overseeing the Company and its subsidiaries to ensure that their business conduct complies with their policies.
- 1.3 Defining the Company and its subsidiaries' visions, missions, and business strategies while taking into account the Code of Conduct and possible effects to the society and environment, with an annual revision and approval by both the Board of Directors and the Management Committee.
- 1.4 Monitoring the Company and its subsidiaries to conduct their business in compliance with laws, objectives, Articles of Association, and resolutions of the Board of Directors and the general meetings of shareholders with accountability, caution and prudence, and loyalty for the utmost benefits of the Company and fairness to all parties involved.
- 1.5 Defining the Charter of the Board of Directors and the Sub- committees as well as amending the Charter of the Board of Directors and considering recommendations from the Sub- committees regarding the amendment to the Charter to keep it updated and suitable with changes of rules, regulations and circumstances. The Charter of the Board of Directors shall also be reviewed at least once a year.

Define key objectives and business goals that promote sustainable value creation

- 1.6 Defining the major operating plans, budgets, business goals and policies and enhancing the capabilities of the Company and its subsidiaries to reach a globally competitive level as well as overseeing the administration and management of the Management to ensure their alignment with policies, operating plans, budgets, business goals and policies for the utmost benefits of the Company, its subsidiaries and shareholders.

Strengthen Board effectiveness

- 1.7 Determining and reviewing the board structure, in terms of size, proportion of independent directors and diversity, to fit with the Company's nature of business.
- 1.8 Overseeing and monitoring the director's nomination and election process to ensure its transparency and proposing the appropriate remunerations for directors and Sub-committee members for the approval at the general meetings of shareholders. In order to determine the appropriate remunerations, various factors must be taken into consideration such as the alignment with the Company's business strategies and long-term goals, the directors' experiences, scope of duties and responsibilities, as well as the benefits to the Company each director may offer.

- 1.9 Devoting sufficient time and efforts to the Company and attending all meetings of the Board of Directors and the general meetings of shareholders, except in unavoidable circumstances. The directors who are unable to attend a meeting must notify the Chairman, the Secretary to the Board or the Company Secretary in advance of the meeting.
- 1.10 Defining governing mechanism to ensure the Company's capability to oversee and control the operations and accountability of its subsidiaries as if they were one of its functions as well as monitoring the management of the subsidiaries in order to protect the benefits of the Company's investment in compliance with relevant notifications of The Securities and Exchange Commission and/or the Capital Market Supervisory Board.
- 1.11 Nominating persons to be appointed as directors or executives of the Company's subsidiaries and associates for not less than the Company's shareholding ratio in such subsidiaries and associates. Determining remunerations and scope of authorities, duties and responsibilities of directors and appointed executives. Defining power of authority framework for voting at the meeting of the Board of Directors of its subsidiaries and associates of significant matters which require prior directions from the Company's Board of Directors. Overseeing the Management and executives of its subsidiaries and associates to comply with the Company's operating plan and policies and monitoring their transactions to comply with applicable laws and regulations including the disclosing of financial information, performances, related party transactions, and acquisition and disposition of material assets to be made completely and accurately and overseeing the directors and executives of the subsidiaries to perform its duties and accountabilities as required by laws.
- 1.12 Assessing the performance of the Board of Directors annually by performing three types of assessments, namely that of the Board as a whole, that of each individual director as a self-assessment, and that of the chairman together with monitoring the assessment results of the Board and its sub-committees which will be jointly deliberated by the Board of Directors. Reviewing the assessment of both the Board and its sub-committees and disclose the criteria, process, as well as the overall results of the assessment in the Company's annual reports.
- 1.13 Developing knowledge and capability, joining training or taking courses relating to carrying out director duties, or attending seminars aiming to increase knowledge crucial for performing the Board's duties continuously.

1.14 Appointing the Company Secretary and determining the scope of duties of the Company Secretary so that he/she shall be responsible for conducting his/her duties in various aspects on behalf of the Company or the Board of Directors such as to generate and keep the record of directors' registration, the notices for the meeting of the Board of Directors and their minutes of the meetings, the notices for the general meetings of shareholders and their minutes of the meetings, and collecting the reports stating the directors and their related persons' interests.

Nominate top executives and encourage development of their skills, and manage the Company personnel

1.15 Determining management structure, top executive development plans and the succession plan for the CEO while overseeing to ensure the effective performance assessment of top executives on an annual basis and having appropriate system to thoroughly determine the remuneration of top executives with transparency and based upon their responsibilities and performances to ensure both short-term and long-term incentives.

1.16 Overseeing that an appropriate compensation structure and performance evaluation are in place for all employees. Understanding the structure and relationship of shareholders which may affect the management and operation of the businesses as well as monitoring the human resource management and development to ensure their appropriate number, knowledge, skills, experiences and incentives.

Promote innovation and responsible business

1.17 Overseeing and promoting innovation that creates value for the Company and its subsidiaries together with benefits for its stakeholders.

1.18 Developing a written handbook of code of conduct as a standard for operations and practices of the Company's directors, executives and employees. Strict implementation of the Company's code of conduct shall also be monitored by the Board of Directors.

1.19 Monitoring the implementation of strategies and operating plans of the Company and its subsidiaries and appraising the performances of the Management through the regular operational reports of the Company, its subsidiaries and associates as well as defining a policy for the development and improvement of the business operations by considering safety and health, responsibility to society and environment and human resource development.

1.20 Overseeing that the information technology management and safeguard of the information security system are in place.

Monitor the implementation of effective risk management and internal control systems

- 1.21 Formulating the corporate risk management policy and monitoring the effectiveness of the risk management as well as reviewing and evaluating the risk management system regularly and when risk status is changed.
- 1.22 Encouraging employees of all levels to be conscious in ethics and moral and comply with corporate governance, code of conduct and all policies of the Company as well as overseeing that the Company and its subsidiaries have appropriate internal control and audit system as well as its regular assessment in order to mitigate risk pertaining to fraud, miss-authorization and illegal actions.
- 1.23 Establishing an audit committee that can act effectively and independently.
- 1.24 Directing, controlling, preventing, monitoring and managing conflicts of interest that might occur between stakeholders of the Company and its subsidiaries, the Company and the management, the Board of Directors or the shareholders. Preventing an inappropriate use of assets of the Company and its subsidiaries as well as inappropriate transactions with related parties of the Company and/or its subsidiaries.
- 1.25 Considering, approving and/ or expressing opinion on transactions having material impact to the Company's businesses including acquisitions and dispositions of assets of the Company and its subsidiaries, related party transactions between the Company, its subsidiaries, associates and related parties as stipulated in the Securities and Exchange Act and relevant rules and regulations of The Stock Exchange of Thailand (SET) and Capital Market Supervisory Board. Considering for approval of commercial transactions having general commercial conditions made between the Company, its subsidiaries, associates and directors, executives or related parties in order to set an operational framework to authorize the executive committee and management to execute such transactions pursuant to guidelines and scopes set by applicable laws and regulations. Considering and/ or expressing opinion on any transaction of the Company ( if the transaction size is not in a level that requires an approval from the general meeting of shareholders) in compliance with applicable laws, notifications, rules and regulations.
- 1.26 Formulating written corporate governance policies for the Company and its subsidiaries and having them implemented, and supporting communication regarding such policies to everyone in the Company to acknowledge, abide by and implement seriously such as anti-corruption policy, whistleblowing policy and insider trading policy, etc., as well as adapting it effectively in order to ensure that the Company and its subsidiaries have accountability to their stakeholders fairly. Overseeing and developing corporate governance of the Company and its subsidiaries on international standard as the guidelines for business operations. Monitoring and being a role model in implementing corporate governance and code of conduct.

1.27 Overseeing that the process and channel for receiving and managing complaints from the whistle blowers or stakeholders are in place and effective and that stakeholders are able to contact/ complain possible problems to directors directly.

Ensure disclosure and financial Integrity

1.28 Overseeing that the Company and its subsidiaries' accounting system, financial reports and audited financial statements are in accordance with applicable rules, regulations and guidelines.

1.29 Monitoring financial liquidity and debt repayment capability as well as plans or mechanism for problem solving.

1.30 Considering producing the Sustainability Report as appropriate.

1.31 Ensuring that the disclosure of information is made appropriately to stakeholders, parties having conflict of interests and other relevant parties including disclosing material information in financial statements and other reports to shareholders appropriately. Such information should be published firstly through system provided by The Securities and Exchange of Thailand and then it may be posted on the Company's website. Ensuring that the Company assigns a person in charge of disclosing information to investors and performs the disclosure accurately, completely, appropriately and in a timely manner as well as promoting the use of information technology for the disclosure.

Ensure engagement and communication with shareholders

1.32 Ensuring engagement of shareholders in decision-making of significant matters of the Company and its subsidiaries and overseeing that the general meetings of shareholders are held mannerly, transparently, effectively and facilitatively for shareholders to exercise their rights. Overseeing that the disclosure of resolutions of the general meetings of shareholders and the minutes of such meetings are made accurately and completely. Respecting the rights of shareholders and treating the shareholders, both major and minor, and all stakeholders fairly and transparently.

Performing its duties, the Board of Directors may seek additional necessary information from the Chief Executive Officer, the Company Secretary, or other assigned executives, within the scope of stipulated policies. In case of necessity, the Board of Directors may seek independent opinions from external consultants or experts in various fields at the Company's expenses.

## **2. Scope of Authorities of the Chairman of the Board of Directors**

The Chairman of the Board of Directors has the following authorities:

- 2.1 Sets Board meeting agenda in consultation with the CEO and, in case that the Chairman is not an independent director, one independent director who was elected by the Board to jointly determine the meeting agendas, and oversees to ensure all Board members receive accurate, complete, timely, and clear information prior to the meeting to assist in their decision-making process.
- 2.2 Provides leadership and direction to the Board of Directors and chairs meetings of the Board.
  - 2.2.1 Conducts a Board meeting according to the agendas, the Company's Articles of Associations, and applicable laws.
  - 2.2.2 Encourages and allocates sufficient time to each Board member to discuss and express their opinion freely with due circumspection and concern for all stakeholders.
  - 2.2.3 Sums up the Board meeting resolutions and required further actions clearly.
  - 2.2.4 Sets up a Board meeting without the presence of the Executive Director.
- 2.3 Chairs meetings of shareholders according to the agendas, the Company's Articles of Association, and relevant laws by allocating time appropriately along with providing opportunities for shareholders to express their opinions equitably and ensuring that shareholders' inquiries are responded to appropriately and transparently.
- 2.4 Supports and be a role model in compliance with the principles of good corporate governance and the Company's Code of Conduct.
- 2.5 Fosters a positive working relationship between the Board of Directors and the Management and supports the performance of the duties of the CEO and the Management in accordance with the Company's policies.
- 2.6 Oversees to ensure the transparent disclosure of information and management in the event of conflicts of interest.
- 2.7 Oversees to ensure the Board of Directors has appropriate structure and composition.
- 2.8 Oversees that the Board of Directors as a whole, Sub-committee members, and each individual director perform their duties effectively and efficiently.

### **3. Composition of the Board of Directors**

The compositions of the Board of Directors are as follows:

- 3.1 The Board of Directors consists of not less than 5 but should not more than 12 directors, each of whom shall be appointed and removed by a general meeting of shareholders. Not less than half of the directors shall be residents of Thailand and qualified by the laws.
- 3.2 The Board of Directors consists of independent directors of not less than one-thirds of the total number of directors and not less than 3 persons. The independent directors must be independent from the control of Management and major shareholders, not engage or have interests on financial and business management as well as have full qualifications in accordance with requirements specified in the notification of the Capital Market Supervisory Board and have scope of duties and accountabilities in accordance with the notifications of The Stock Exchange of Thailand.
- 3.3 The Board of Directors consists of qualified persons having knowledge and capabilities, diversity of skills, experiences and expertise that are useful to the business of the Company and its subsidiaries without limitation to gender, race, religious, age or skill.
- 3.4 The Board of Directors will choose one of the directors to be the Chairman of the Board. If the Chairman is not an independent director, the Board of Directors may appoint an independent director to jointly determine agendas of the Board meetings in order to encourage the balance of power between the Board of Directors and the Management and also comply with the good corporate governance for listed companies.

When a person is appointed as a director of the Company, the Company shall provide he/she with the Company's director orientation and present to every new director a director's handbook and various relevant information so that he/she acknowledges his/her roles and duties as a director of the Company.

### **4. Qualifications of Company Directors**

- 4.1 All Directors must have full qualifications without any prohibited characteristics in accordance with the Public Limited Companies Act, B.E. 2535 (including its changes) ("PLC Act"), Securities and Exchange Act, B.E. 2535 (including its changes) ("Securities Act") including applicable notifications, regulations and/or rules as well as the Articles of Association of the Company. The Directors must not have untrustworthy characteristics of directors and executives under the Notification of the Office of the Securities and Exchange Commission and must be the persons listed in the database of directors and executives of securities issuing companies under the Notification of the Capital Market Supervisory Board regarding Rules for Listing of Persons' Names on Database of Directors and Executives of Securities Issuing Companies.

- 4.2 A director must not, without the consent of a general meeting of shareholders, undertake commercial transactions of the same nature as and competing with that of the Company or its subsidiaries, nor may he/she be a partner with unlimited liability or a director in another legal entity carrying on a business of the same nature as and competing with that of the Company or its subsidiaries, either for his/her own benefits or others.
- 4.3 All directors must be capable and knowledgeable persons fully equipped with leadership, wide-ranging visions, experiences beneficial to the Company, and knowledge of the Company's business.
- 4.4 All directors must be able to perform his/ her duty and independently express their opinions with loyalty and integrity, to conduct the business with morality, and to devote sufficient time to perform his/her duties.
- 4.5 A director must not hold directorship of more than four other listed companies.

## **5. Terms of Office**

- 5.1 At the annual general meeting of shareholders, one-third of the directors, or if their number is not multiple of three, then the number nearest to one-third must retire from the office. The director who has held office longest shall retire. However, a retiring director is eligible for re-election.
- 5.2 The election of directors shall be in line with the Company's Articles of Association and relevant laws. The nomination of directors shall be carried out in a transparent and clear manner by taking into account education and professional experience of each person, as well as qualification and absence of prohibited characteristics. Such information must also be sufficiently provided so as to ensure that it is useful for the Board of Directors and the shareholders' decision making process.
- 5.3 Apart from the vacancy upon the expiration under the Company's Articles of Association, a director shall vacate office when:
  - 5.3.1 he/she is no longer qualified for the office as specified in the Company's Articles of Association or the Public Limited Companies Act and/or laws regarding securities and exchange;
  - 5.3.2 he/she gives notice of resignation to the Board of Directors, which shall be effective from the date that on which the Company receives the resignation letter;
  - 5.3.3 he/she has been absent from three consecutive meetings of the Board of Directors without leave of absence, and the Board of Directors has passed a resolution by a vote of not less than half of all the directors that he/she retire from his/her office;
  - 5.3.4 the shareholders pass a resolution removing him/her from office in accordance with the provisions of the Public Limited Company Act;

- 5.3.5 the court so orders;
  - 5.3.6 he/she dies.
- 5.4 In case of vacancies of all members in the Board of Directors, the said Board of Directors may perform any act in the name of the Board of Directors only in matters necessary until a new Board of Directors takes over.
  - 5.5 In case of a vacancy in the Board of Directors for any reason other than the expiration of the director's term of office, the Board of Directors shall elect a person who is fully qualified as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than 2 months. The substitute director shall hold office only for the remaining term of office of the director whom he/she replaces.
  - 5.6 The Independent directors shall not be in office for more than 9 consecutive years from the first appointed date. In case of necessity, an independent director may be reappointed to continually serve as an independent director after the completion of 9 consecutive years upon the thorough and reasonable consideration of the Board of Directors.

## **6. Meetings of the Board of Directors**

- 6.1 Meetings of the Board shall be carried out in compliance with laws and the Company's Articles of Association.
- 6.2 The Company has stipulated that there shall be at least one meeting of the Board of Directors every three month and no less than 6 times per year, of which the main agendas are to be clearly determined in advance. Special meetings may also be called to consider important or urgent matters. The Chairman and the CEO will together determine the agenda and their matters to be considered at the meeting. In addition, should the Chairman of the Board be not an independent director, one independent director will jointly determine the agenda with the Chairman and the CEO to balance the power between the Board and the Management, and to comply with the Corporate Governance Code for Listed Companies, as well as to oversee that important matters are included in the agendas. In addition, the Management shall report the operating results to the Board of Directors during the months that no meetings are held to ensure that the Board of Directors can continually and promptly supervise and monitor the Management's operation.
- 6.3 A meeting between non-executive directors shall be held as deemed necessary without the Management being present in such a meeting to discuss matters concerning an executive who is the object of interests. The Chairman or the director assigned by the Chairman shall notify the Chief Executive Officer of the results of said meeting.

6.4 An average attendance of all directors should be at least 80 percent of the total Board meetings each year. Each director should also attend at least 75 percent of all the meetings held each year. Should any director not be able to attend a meeting of the Board of Directors due to necessity, his/her shall notify the Chairman of his/her reasons at the first opportunity he/she has and prior to the said meeting.

In addition, the act of being present in the meetings stated in this policy covers those of electronics meetings held by the Company, which allows the director to discuss, enquire, and share opinions with one another despite being in different locations.

6.5 In calling a meeting of the Board of Directors, the Chairman or the Secretary to the Board of Directors, by order of the Chairman, shall serve a written notice calling for such meeting as well as meeting documents to the directors not less than 5 business days prior to the date of the meeting. Where it is urgent or necessary for the benefits of the Company, the meeting may be called by other methods and an earlier meeting date may be choosing.

6.6 The Company Secretary is responsible for conducting the minutes of the Board meeting and submitting them to the Chairman of the Board for consideration and signature certification. The directors could comment on the minutes and request for further revisions for utmost accuracy and precision. The certified minutes of the meetings shall then be systematically collected based on their confidentiality levels and in the form of e-document to facilitate information search and reference.

## **7. Quorum**

7.1 At a meeting of the Board of Directors at least half the number of directors must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/ her duty or vacant, the Vice Chairman shall perform the duty on behalf of the Chairman (if any). In case both the Chairman and the Vice Chairman are absent or unable to perform his/ her duty or vacant, the Board of Directors present at the meeting shall appoint a director to perform the duty as the Chairman of the Meeting.

7.2 Decision in the meeting shall be made by a simple majority vote. Each director is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

7.3 Each director is entitled to one vote, but a director who has an interest in any matter shall not be entitled to vote on such matter.

7.4 In case of vacancies in the Board of Directors resulting in the number of directors being less than the number required for a quorum, the remaining directors may perform any act in the name of the Board of Directors only in matters relating to the calling of a general meeting of shareholders to elect directors to replace all the vacancies, and that such general meeting of shareholders shall be held within one month from the date the number of directors falls below the number required for a quorum.

## **8. The Board of Directors' Authorization**

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, the Board of Directors' charter, and the general meeting of shareholders' resolutions. Such matters include defining and reviewing Delegation of Authority, corporate vision, mission, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-term business plan. Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, significant related party transactions, merger and acquisition, corporate spin-off, and joint venture deals.

## **9. Remuneration**

The directors shall be paid a remuneration, the amount of which shall be fixed by the general meeting of shareholders.

## **2.1.2 Charter of the Audit Committee**

(Resolutions of the meeting of the Board no. 239 (7/2022) on October 25, 2022, effective from October 25, 2022)

The Board of Directors, by the resolutions of the meetings of the Board of Directors no. 210 (6/2019), No. 224 (8/2020), 231 (7/2021) and 239 (7/2022), has approved the issuance of this Charter of the Audit Committee which is in alignment with the Company's Code of Conduct, as well as placing in this Charter applicable regulations and laws to specify the scope of duties of the Audit Committee, which is an important instrument in Corporate Governance. This is to assure the stakeholders that the Company's business operation is carried out under the surveillance of the efficient internal audit and internal control system, to prevent conflicts of interest, to provide guidance for the Audit Committee, and to ensure that the Board of Directors, the executives and the Management understand the scope of duties of the Audit Committee.

### **1. Scope of Duties**

The duties of the Audit Committee are as follows:

#### **Oversight, Risk Management, Oversight of Performance of Duties, and Internal Controls**

- 1.1 Oversee that the Company has a financial report system and a disclosure of financial statements that meet the standard, has a financial report conducted by coordinating with external auditors and responsible executives, and has financial statements issued on a quarterly and annual basis. The Audit Committee may suggest auditors to review or audit any transaction deemed important and necessary while undergoing audit services, and providing support so that the financial report system is further improved to meet the International Financial Reporting Standards (IFRS)
- 1.2 Consider the Company and its subsidiaries' connected transactions, acquiring or selling of assets, or transactions with possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Securities and Exchange Commission, Thailand, thereby ensuring aforementioned transactions are reasonable and of utmost benefits.
- 1.3 Review the presence of the Company's risk management, work processes, control, oversight of performance of duties, IT governance, as well as Information and Integrated Network Security to ensure their effectiveness and compliance with international standards and to assess the results of risk management from the risk management working group.
- 1.4 Review the Company's effective Anti-corruption system to ensure compliance with the governance bodies' guidelines such as Thai Private Sector Collective Action Against Corruption (CAC), The Thai Institute of Directors Association (IOD) and The National Anti-Corruption

Commission (Section 123/5) starting from promoting and raising the awareness, assessing the risks, internal control, incorporating the proactive preventive system, offense reporting, auditing, giving consultation and following up to ensure compliance with the Anti-corruption Policy as well as reviewing the self-assessment form regarding anticorruption measures as audited and assessed by Internal Audit Office.

- 1.5 Review the Company's compliance to be in line with the Securities and Exchange laws, the regulations stipulated by The Stock Exchange of Thailand (SET) and Capital Market Supervisory Board, as well as the rules, regulations and other laws relating to the Company and its subsidiaries' businesses. The Audit Committee shall also review the implementation of regulations and policies relating to the Corporate Governance in the Company's subsidiaries and associated companies, and the management of both subsidiaries and associated companies in the main business.
- 1.6 Review the compliance of the Company's Internal Control System with Internal Control Framework and the appropriateness and the effectiveness of the Company's Internal Audit System in accordance with internationally accepted approaches and standards. Also, review "The Assessment Form of the Adequacy of the Internal Control System" as audited and assessed by the Internal Audit Office to ensure that the Company has sufficient internal control system and propose to the Board of Directors for consideration.
- 1.7 Review the results of fraud investigation and punishment, establish the preventive measures in organization and review the internal processes of whistleblowing system.
- 1.8 Review the presence of proactive preventive system to enhance operating effectiveness and efficiency.

#### **Others**

- 1.9 Select and propose the appointment or discharge an independent person to perform the duties of the Company's auditor and also propose the remuneration of the Company's auditor and evaluate the effectiveness of auditor's performance.
- 1.10 Constantly report the activities of the Audit Committee to the Board of Directors for their acknowledgement, as well as preparing and proposing the Audit Committee's report to the Board of Directors.
- 1.11 Prepare the Audit Committee's report and have it disclosed in the Company's annual report. The report must be signed by the Chairman of the Board of Directors and must, at least, include the information as follows:
  - (A) Opinions regarding the accuracy and reliability of the Company's financial report;
  - (B) Opinions regarding the sufficiency of the Company's internal control system;

- (C) Opinions regarding compliance with the Securities and Exchange laws, the regulations of SET, or the laws relating to the Company's business;
  - (D) Opinions regarding the appropriation of auditors;
  - (E) Opinions regarding transaction which may lead to conflicts of interest;
  - (F) The number of the Audit Committee's meetings and the meeting attendance of each member of the Audit Committee;
  - (G) Overall opinions or observation that the Audit Committee gain from performing duties according to the Charter;
  - (H) And other matters the Audit Committee deemed appropriate to notify shareholders and general investors, within the scope of duties and responsibilities as assigned by the Board of Directors.
- 1.12 Review and give the opinion toward the audit practices of the Internal Audit Office and coordinate with the Company's auditors. Also, organize meetings with the Company's auditor, without the attendance of management, at least once a year, and discussed over issues and obstacles which may be found in the audit practices.
- 1.13 Approve the internal audit plan, budget and manpower of the Internal Audit Office. Also, provide recommendations in respect of appointment, removal, transfer, or dismissal of the Director of Internal Audit Office, or other departments responsible for the internal audit.
- 1.14 Consider the independence of the Internal Audit Office based upon the execution of work, reports, and line of command. Also, review the execution of the Internal Audit Office for the performance assessment according to international standards.
- 1.15 Review the presence of the Audit Committee's performance assessment as a whole and as self-assessment on an annual basis as well as the Audit Committee Charter at least once a year and propose it for the approval of the Board of Directors.
- 1.16 Perform other actions as required by law or as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings, or submit necessary documents. In addition, the Committee may seek independent opinion from professional consultants as deemed appropriate, at the Company's expense.

The Audit Committee performs duties within its authority and responsibilities under the order of the Board of Directors. The Board of Directors is responsible for the Company's operations and is directly accountable to shareholders, stakeholders, and the public.

Should there is any change in responsibilities of the Audit Committee, the Company shall disclose said resolution regarding the change in responsibilities and prepare a list and document stating the changes in the Audit Committee's scope of duties in line with SET's stipulation. The aforementioned documents must be sent to SET within three days of the changes by means stipulated in the SET's regulations relating to reporting via electronic media.

## **2. Composition of the Audit Committee**

The constituents of the Audit Committee are to be as follows:

- 2.1 The members of the Audit Committee must be appointed by the Board of Directors.
- 2.2 The Audit Committee must consist of not less than three members, who are fully equipped with appropriate skill and expertise in the works assigned. Also, at least one member of the Audit Committee must possess sufficient knowledge and experience in accounting and finance in order to perform his/her/their duties of reviewing the credibility of the financial statements.
- 2.3 The Chairman of the Audit Committee may be appointed by the Board of Directors or the Audit Committee.
- 2.4 The Audit Committee shall consider the appointment of the Secretary to the Audit Committee to provide support to the Audit Committee in regard to meeting appointment, preparation of meeting agendas, distribution of meeting documents, as well as recording minutes of the meeting.

## **3. Qualifications of the Audit Committee**

The Audit Committee shall be deemed reliable and acceptable by the general public and able to sufficiently devote time to performing duties of the Audit Committee. The Audit Committee shall comprise qualifications as follows:

### **3.1 General qualifications**

Members of the Audit Committee shall be qualified independent directors according to the definition issued by the Company and the regulations of the Capital Market Supervisory Board and SET announcement.

### **3.2 Specific qualifications**

- (A) Members of the Audit Committee shall not be directors assigned by the Board of Directors to have authority in making decisions relating to the business operation of the Company, the parent company, the subsidiaries, or the associated companies, the subsidiaries of the same level, the major shareholders, or the regulators.
- (B) Members of the Audit Committee shall not be directors of the parent company, the subsidiaries, or the subsidiaries of the same level, which are also listed companies.

#### **4. Terms of Office**

The term of office of the members of the Audit Committee is three-year each, ending at the annual general meeting of shareholders. Nevertheless, a retiring member is eligible for re-appointment, but no more than three terms consecutively. A member of the Audit Committee who retired by rotation shall continue to serve as an acting member to perform his/her duties until a new member of the Audit Committee is appointed in replacement of the position being vacated unless he/she is not re-appointed as the director of the Company after retiring by rotation.

In case that all members of the Audit Committee retire by rotation, the retired members shall serve as acting members of the Audit Committee to continually perform their duties until a new set of the Audit Committee's members are appointed.

Apart from the vacancy upon the expiration as aforementioned, a member of the Audit Committee shall vacate office when:

- 1) he/she resigns;
- 2) he/she is no longer qualified for the office of the Audit Committee as specified in this Charter, or the regulations of the Capital Market Supervisory Board or the Stock Exchange of Thailand;
- 3) the Board of Directors passes a resolution removing him/her from office;
- 4) ceased to be a director;
- 5) he/she dies;
- 6) the court so orders.

If a member of the Audit Committee wishes to resign, he/she shall priorly give a notice of resignation with specified reasons to the Chairman of the Board in order that the Board of Directors consider electing a qualified person as the director in replacement of the resigned director.

If a member of the Audit Committee resigns or is dismissed from his/her position before his/her expiration of the term of office, the Company shall immediately inform the Stock Exchange of Thailand and send to the Securities Exchange Commission (SEC) the copy of the resignation letter. The member of the Audit Committee who resigned or was dismissed may explain his/her reason to the Securities Exchange Commission and the Stock Exchange.

In case of a vacancy in the Audit Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified and is without prohibited characteristics as a substitute member of the Audit Committee within three months after the vacancy so that the number of members of the Audit Committee remains in full as the laws and the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

## **5. Meetings**

The meetings of the Audit Committee shall be held at least once every three month to consider quarter/annual financial statements and other matters within the authority and duty of the Audit Committee. Together with the Audit Committee, the external auditors, internal auditors and executives shall also attend the meeting to audit the financial statements on a quarterly basis and report them to the Board of Directors. In case that the executives are to carry out any connected transaction or transaction relating to the acquisition or disposition of assets, the propriety and reasonability of the transaction, as well as the utmost benefits of the Company, shall be taken into consideration in order to ensure its compliance with regulations regarding connected transactions and transactions relating to acquisition and disposition of assets as stipulated by SET's announcement.

In calling a meeting of the Audit Committee, the Chairman or the Secretary to the Audit Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Audit Committee not less than 3 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called or an earlier meeting date may be chosen. Agendas of each meeting must be clearly determined prior to the date of the meeting. Meeting document must also be sent to the Audit Committee and the attendees of each meeting in advance with sufficient time for the recipients to consider the matters or request for further information.

In a meeting of the Audit Committee, the Chairman of the Audit Committee or the Chairman of the Meeting may order the meeting to be carried out by way of electronics conference which allows all attendees to discuss, enquire and share opinions with one another despite being in different locations while complying with the stipulated regulations and means.

The Audit Committee should hold meetings to discuss matters within its scope of duties as stipulated in this Charter.

## **6. Quorum**

At a meeting of the Audit Committee at least half the number of the members of the Audit Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Audit Committee shall appoint a member to perform the duty as the Chairman of the Meeting.

Decisions in the meeting shall be made by a simple majority vote.

Each member of the Audit Committee is entitled to one vote, except the member of the Audit Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

The Audit Committee may invite involved parties, such as the Company's directors, the Management, the executives, the Company's lawyers, external lawyers, or the Company and its subsidiaries' employees and/or other persons involved, to discuss over or inform of the matters or answer queries.

The Secretary to the Audit Committee or any person assigned by the Audit Committee shall prepare the minutes of the Audit Committee meeting, which must be verified by the Audit Committee, before the Chairman of the Audit Committee further propose said minutes to the Meeting of the Board of Directors for their acknowledgement of the Audit Committee's activities.

## **7. Responsibilities of the Audit Committee**

- 7.1 In case the Audit Committee is informed by the auditor about suspicious behavior of President & CEO or persons responsible for business operation of the Company, which may violate paragraph 2 of Section 281/2, Section 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.
- 7.2 Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the Company, the Audit Committee is to report such events to the Board of Directors in order to find remedy within a period deemed appropriate by the Audit Committee
  - (1) Transaction which may cause conflicts of interest.
  - (2) Fraud or irregular events or material flaws in the internal control system.
  - (3) Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the Company's business.

Should the Board of Directors or management fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET.

## **8. Remuneration**

The Audit Committee shall be paid a remuneration, the amount of which shall be approved at the general meeting of shareholders.

### **2.1.3 Charter of the Corporate Governance and Nomination Committee**

(Resolutions of the meeting of the Board no. 239 (7/2022) on October 25, 2022, effective from October 25, 2022)

The Corporate Governance and Nomination Committee is a part of good corporate governance. The Board of Directors, by the resolutions of the meetings of the Board of Directors no. 214 (10/2019), no. 224 (8/2020), no. 227 (3/2021) and no. 239 (7/2022) on October 26, 2019, December 1, 2020, and April 27, 2021, and October 25, 2022, respectively, has resolved to adopt this Charter of the Corporate Governance and Nomination Committee so that every member of the Corporate Governance and Nomination Committee is aware of his/her duties and responsibilities and performs them correctly and completely, aligning with the Corporate Governance Code, in order to build stakeholders' confidence and trust in the Company.

#### **1. Scope of Duties**

The duties of the Corporate Governance and Nomination Committee are as follows:

- 1.1 Draw up the scope and policy of the Company's corporate governance and consistently present them to the Board of Directors.
- 1.2 Make recommendations on the practice of the Company's corporate governance and give advice on corporate governance to the Board of Directors.
- 1.3 Oversee and monitor the performance of the Company's Board of Directors and the executive committee to ensure their compliance with the Company's corporate governance policy.
- 1.4 Review the practice of corporate governance within the Company to ensure it is appropriate for the Company's business operations and consistent with international best practices and make recommendations to the Board of Directors for further improvement and keeping it up-to-date.
- 1.5 Oversee that appropriate anti-corruption policy for the Company's business operation has been issued.
- 1.6 Consider the structure and the composition of the Board of Directors in terms of the number of the Board of Directors appropriate for the size, category and complicity of the business, as well as alter them to meet the business strategies and changing circumstances. The Corporate Governance and Nomination Committee shall also consider determining director qualifications of each Sub- committee in terms of knowledge, expertise, experience, and specialty in particular fields, which bring benefits to matters relating to the Company and its subsidiaries.

- 1.7 Review the independence of directors, as well as any potential conflicts of interest in the performance of its duties. The independence of each independent director has to be reviewed to ensure that his/her qualifications are utterly consistent with regulations and/or relevant laws.
- 1.8 Review the propriety of director positions should there be an alteration to the qualifications of Company directors.
- 1.9 Consider formulating director development plans to further knowledge and skills of members of the Sub-committees of the Company to ensure their understanding in duties, businesses, economic circumstances, technologies, and laws and regulation relating the Company and its subsidiaries' businesses.
- 1.10 Recommend methods to assess the performance of the Board of Directors, the committees, the Chairman and the top executives, and review them annually. In addition, follow up and conclude the assessment results to the Board of Directors for acknowledgement and utilize such information for the improvement of work efficiency and enhancement of the directors' knowledge and capabilities.
- 1.11 Review and give advice to the Board of Directors on the structure, roles and responsibilities, and practices of the Board of Directors and the committees. Should there be an alteration to the Charter of the Board of Directors and the committees, the recommendations in keeping it up-to-date. Governance and Nomination Committee shall review and make appropriate.
- 1.12 Determine procedures and guidelines for the nomination and selection of qualified persons according to applicable regulations and laws, and consider nominating those who are qualified as a director in replacement of directors retiring by rotation or other cases, as well as members of the Sub-committees assigned of authority and responsibility by the Board of Directors and the top executives of the Company. In addition, diversity of the Board structure in terms of knowledge, expertise, experience, gender, and specialty in particular fields which contributes to the Company, shall be taken into account before proposing for the Board of Directors and/or the Meeting of Shareholders' consideration and approval.
- 1.13 Propose remuneration guidelines and means both in cash and in kind, and other benefits of the directors in alignment with the duties, responsibilities and qualifications of the directors. Various requirements for the Initial Public Offering or allocation of warrants to purchase shares to the directors (if any) shall be taken into consideration before proposing to the Board of Directors and/or the Meeting of Shareholders for approval.

- 1.14 Review, study, and track regularly the changes and trends in remuneration for the Board of Directors and sub-committees in order to propose for the approval of the Board of Directors.
- 1.15 Consider the remuneration of the Board of Directors and sub-committees, as compared to the remuneration offered by other listed companies operating in the same business, to ensure that the Company retains its leadership in that industry and to motivate them to foster the Company's continuing development.
- 1.16 Review the performance appraisal of the Corporate Governance and Nomination Committee on a regular annual basis as a whole and as self-assessment.
- 1.17 Consistently report the progress and the operating result to the Board of Directors after meetings of the Corporate Governance and Nomination Committee.
- 1.18 Disclose corporate governance policies and operations and nomination processes, as well the report of the Corporate Governance and Nomination Committee in the Company's annual reports.
- 1.19 Perform other duties as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Corporate Governance and Nomination Committee is authorized to call for and order the management, heads of offices or employees concerned to give opinions, attend meetings or submit necessary documents. In addition, the committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

## **2. Composition of the Corporate Governance and Nomination Committee**

The compositions of the Corporate Governance and Nomination Committee are as follows:

- 2.1 The Corporate Governance and Nomination Committee consists of not less than 3 members. A majority of the Corporate Governance and Nomination Committee must be independent directors to align with the Corporate Governance Code for listed companies.
- 2.2 The members of the committee must be appointed by the Board of Directors.
- 2.3 The Corporate Governance and Nomination Committee shall select one of their members to be the Chairman. The Chairman of the Corporate Governance and Nomination Committee should be an independent director to ensure his transparency and independency in performing duties.
- 2.4 The Corporate Governance and Nomination Committee shall appoint the Secretary to the Corporate Governance and Nomination Committee to in charge of meeting appointments, preparing agendas for the meetings, sending meeting documents and writing minutes of the meeting.

### **3. Qualifications of the Corporate Governance and Nomination Committee**

- 3.1 Shall be Company directors.
- 3.2 Chairman of the Corporate Governance and Nomination Committee should be an independent director in order to act as the predominant driving force, ensuring that the Corporate Governance and Nomination Committee perform their duties independently.
- 3.3 Shall meet all the qualifications and not have any prohibited characteristic according to the Public Limited Companies Act, B.E. 2535 – including all amendments – as well as the applicable announcement, the regulations and/or rules. Members of the Corporate Governance and Nomination Committee shall not have any improper characteristic deemed untrustworthy for being directors or executives according to the Securities and Exchange Commission and/or the Capital Market Supervisory Board.
- 3.4 Shall possess knowledge and good understandings of his/her own qualifications, duties and responsibilities as a member of the Corporate Governance and Nomination Committee as well as corporate governance.
- 3.5 Shall have wide- ranging vision, and keep updated continuously with changes of corporate governance internationally for further improvement of the Company's corporate governance policies and nomination of the Company directors.
- 3.6 Shall be able to independently perform his/her duties, express opinions, report on the performance of the assigned duties with independency and transparency, and devote sufficient time to perform his/her duties.
- 3.7 The members of the Corporate Governance and Nomination Committee must be neutral in looking for and selection of persons qualified for nomination to hold the position of Company directors, replacing those whose terms of office expired or for other cases, and in preparation of sufficient biographical data of such persons for the consideration of the Board of Directors.

### **4. Terms of Office**

The term of office of the members of the Corporate Governance and Nomination Committee is 3-year each, ending at the annual general meeting of shareholders. A retiring member is eligible for re-appointment

Apart from the vacancy upon the expiration as aforementioned, a member of the Corporate Governance and Nomination Committee shall vacate office when:

- 1) he/she ceases to be the director, or lacks the qualities of the directors or has prohibited characteristics according to the Company's Articles of Association or the Public Company Act and/or laws relating to Securities and Exchange;
- 2) he/she resigns;
- 3) he/she is no longer qualified for the office of the Corporate Governance and Nomination Committee, as specified in this charter;
- 4) the Board of Directors pass a resolution removing him/her from office;
- 5) he/she dies.

If a member of the Corporate Governance and Nomination Committee wishes to resign, he/she shall give notice of resignation to the Chairman of the Company's Board of Directors. The resignation shall be effective from the date on which the Chairman of the Company's Board of Directors receives the resignation letter

In case of vacancies of all members in the Corporate Governance and Nomination Committee, the said Corporate Governance and Nomination Committee may perform any act in the name of the Corporate Governance and Nomination Committee only in matters necessary until a new Corporate Governance and Nomination Committee takes over the duties.

In case of a vacancy in the Corporate Governance and Nomination Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified as a substitute member of the Corporate Governance and Nomination Committee so that the number of members of the Corporate Governance and Nomination Committee remains in full as the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

## 5. Meetings

Meetings of the Corporate Governance and Nomination Committee are to be called whenever the Committee or the Chairman of the Committee sees fit. There must be at least 4 meetings per year.

In calling a meeting of the Corporate Governance and Nomination Committee, the Chairman or the Secretary of the Corporate Governance and Nomination Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Corporate Governance and Nomination Committee not less than 3 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called and an earlier meeting date may be chosen.

In a meeting of the Corporate Governance and Nomination Committee, the Chairman of the Corporate Governance and Nomination Committee or the Chairman of the Meeting may order the meeting to be carried out by way of electronics conference which allows all attendees to discuss, enquire and share opinions with one another despite being in different locations while complying with the stipulated regulations and means.

The Corporate Governance and Nomination Committee should hold meetings to discuss matters within its scope of duties.

#### **6. Quorum**

At a meeting of the Corporate Governance and Nomination Committee at least half the number of the members of the Corporate Governance and Nomination Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Corporate Governance and Nomination Committee shall appoint a member to perform the duty on behalf of the Chairman.

Decisions in the meeting shall be by a simple majority vote. Each member of the Corporate Governance and Nomination Committee is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote. The member of the Corporate Governance and Nomination Committee who has an interest in any matter, he/she shall not be entitled to vote on such matter.

Resolutions of the Corporate Governance and Nomination Committee may be made without meeting, and shall be deemed valid as if they were made at the meeting, when all members of the Corporate Governance and Nomination Committee have adopted it by their signatures.

#### **7. Remuneration**

The Corporate Governance and Nomination Committee shall be paid a remuneration, the amount of which shall be fixed by the shareholders' meeting.

#### **2.1.4 Charter of the Remuneration Committee**

(Resolutions of the meeting of the Board no. 239 (7/2022) on October 25, 2022, effective from October 25, 2022)

The Remuneration Committee is a part of a good corporate governance system. The Board of Directors, by the resolutions of the meetings of the Board of Directors no. 214 (10/2019), no. 224 (8/2020), no. 227 (3/2021), and no. 239 (7/2022) on October 26, 2019, December 1, 2020, and April 27, 2021, and October 25, 2022, respectively, has resolved to adopt this Charter of the Remuneration Committee so that every member of the Remuneration Committee is aware of his/her duties and responsibilities and performs them correctly and completely, aligning with the Corporate Governance Code, in order to build Stakeholders' confidence and trust in the Company.

##### **1. Scope of Duties**

The duties of the Remuneration Committee are as follows:

- 1.1 Propose remuneration guidelines and means both in cash and in kind, and other benefits of top executives of the Company in alignment with the responsibilities and qualifications of persons appointed and employed by the Company. Various requirements for the Initial Public Offering or allocation of warrants to purchase shares to the top executives and employees (if any) shall be taken into consideration before proposing to the Board of Directors and/or the Meeting of Shareholders for approval.
- 1.2 Recommend the policy on the Company's management Incentives including salary and annual bonus, in line with the Company's operating results and the performance of each top executive. Whenever it deems appropriate, the Committee shall consider hiring of consulting firms to advise on project implementation.
- 1.3 Assess the performance of the Chief Executive Officer on an annual basis in order to determine his/her remuneration before proposing the Board of Directors for approval, all the while considering relevant risks and responsibilities as well as focusing on and taking into consideration the long-term value adding to the shareholders.
- 1.4 Consider the annual budget for the salary increase, changes of wage and compensation, and bonus of top managers before proposing to the Board of Directors.
- 1.5 Prepare a succession plan for the Chief Executive Officer and the top executives, and propose it for the Board of Directors' consideration to ensure that the successor can perform their duties without disruption of work flows.
- 1.6 Review, study, and track regularly the changes and trends in remuneration for the top executives in order to propose for the approval of the Board of Directors.

- 1.7 Consider the remuneration of the top executives, as compared to the remuneration offered by other listed companies operating in the same business, to ensure that the Company retains its leadership in that industry and to motivate them to foster the Company's continuing development.
- 1.8 Review the performance appraisal of the Remuneration Committee on a regular annual basis as a whole and as self-assessment.
- 1.9 Report regularly a progress and performance results to the Board of Directors after every meeting of the Remuneration Committee.
- 1.10 Disclose the remuneration in various manners as well the report of the Remuneration Committee in the Company's annual reports.
- 1.11 Perform other duties as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Remuneration Committee is authorized to call for and order the management, heads of offices or employees concerned to give opinions, attend meetings or submit necessary documents. In addition, the committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

## **2. Composition of the Remuneration Committee**

The compositions of the Remuneration Committee are as follows:

- 2.1 The Remuneration Committee consists of not less than 3 members. A majority of the Remuneration Committee must be independent directors to align with the Corporate Governance Code for listed companies.
- 2.2 The members of the committee must be appointed by the Board of Directors.
- 2.3 The Remuneration Committee shall select one of their members to be the Chairman of the Remuneration Committee. The Chairman of the Remuneration Committee should be an independent director to ensure his transparency and independency in performing duties.
- 2.4 The Remuneration Committee shall appoint the Secretary to the Remuneration Committee to in charge of meeting appointments, preparing agendas for the meetings, sending meeting documents and writing minutes of the meeting.

## **3. Qualifications of the Remuneration Committee**

- 3.1 Shall be the Company directors.
- 3.2 Chairman of the Remuneration Committee should be an independent director in order to act as the predominant driving force, ensuring that the Remuneration Committee perform their duties independently.

- 3.3 Shall meet all the qualifications and not have any prohibited characteristic according to the Public Limited Companies Act, B.E. 2535 – including all amendments – as well as the applicable announcement, the regulations and/or rules. Members of the Governance and Nomination Committee shall not have any improper characteristic deemed untrustworthy for being directors or executives according to the Securities and Exchange Commission and/or the Capital Market Supervisory Board.
- 3.4 Shall possess knowledge and good understandings of his/her own qualifications, duties and responsibilities as a member of the Remuneration Committee.
- 3.5 Shall have wide-ranging vision, and keep updated with changes of the Company and its subsidiaries' performances for further improvement of the Company's guideline on remuneration determination.
- 3.6 Shall be able to independently perform his/her duties, express opinions, report on the performance of the assigned duties, and devote sufficient time to perform his/her duties.

#### **4. Terms of Office**

The term of office of the members of the Remuneration Committee is 3- year each, ending at the annual general meeting of shareholders. A retiring member is eligible for re-appointment.

Apart from the vacancy upon the expiration as aforementioned, a member of the Remuneration Committee shall vacate office when:

- 1) he/she ceases to be the director, or lacks the qualities of the directors or has prohibited characteristics according to the Company's Articles of Association or the Public Company Act and/or laws relating to Securities and Exchange;
- 2) he/she resigns;
- 3) he/she is no longer qualified for the office of the Remuneration Committee as specified in this Charter;
- 4) the Board of Directors passes a resolution removing him/her from office;
- 5) he/she dies.

If a member of the Remuneration Committee wishes to resign, he/she shall give notice of resignation to the Chairman of the Company's Board of Directors. The resignation shall be effective from the date on which the Chairman of the Company's Board of Directors receives the resignation letter.

In case of vacancies of all members in the Remuneration Committee, the said Remuneration Committee may perform any act in the name of the Remuneration Committee until a new Remuneration Committee takes over the duties.

In case of a vacancy in the Remuneration Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified as a substitute member of the Remuneration Committee so that the number of members of the Remuneration Committee remains in full as the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

## 5. Meetings

Meetings of the Remuneration Committee are to be called whenever the Committee or the Chairman of the Committee deems necessary and fit. There shall be at least 4 meetings per year.

In calling a meeting of the Remuneration Committee, the Chairman or the Secretary to the Remuneration Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Remuneration Committee not less than 3 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called and an earlier meeting date may be chosen.

In a meeting of the Remuneration Committee, the Chairman of the Remuneration Committee or the Chairman of the Meeting may order the meeting to be carried out by way of electronics conference which allows all attendees to discuss, enquire and share opinions with one another despite being in different locations while complying with the stipulated regulations and means.

The Remuneration Committee should hold meetings to discuss matters within its scope of duties.

## 6. Quorum

At a meeting of the Remuneration Committee at least half the number of the members of the Remuneration Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Remuneration Committee shall appoint a member to perform the duty as the Chairman of the Meeting.

Decisions in the meeting shall be made by a simple majority vote. Each member of the Remuneration Committee is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote. The member of the Remuneration Committee who has a conflict of interest in any matter, he/she shall not be entitled to vote on such matter.

Resolutions of the Remuneration Committee may be made without meeting, and shall be deemed valid as if they were made at the meeting, when all members of the Remuneration Committee have adopted it by their signatures.

## 7. Remuneration

The Remuneration Committee shall be paid a remuneration, the amount of which shall be approved at the general meeting of shareholders.

## **2.1.5 Composition, Duties and Responsibilities of the ESG Committee**

(Resolution of the meeting of the Board of Directors no. 240 (8/2022) on November 29, 2022)

The ESG Committee is appointed by the Board of Directors. Its composition includes at least one member of the Board of Directors. The Board of Directors appoints the Chief Executive Officer being the Chairman of the ESG Committee and grants them an authority to appoint suitable members of the Committee. The ESG Committee must regularly report to the Corporate Governance and Nominations Committee.

The ESG Committee's duties and responsibilities are as follows:

1. Establish policies and governance practices in business operation following UN Sustainable Development Goals (UN-SDGs) guidelines, implement Environmental, Social and Governance (ESG) guidelines that align with key stakeholders' expectations for being a good role model for sustainable development both regionally and internationally;
2. Encourage, communicate and raise employees and business partners' ESG awareness to achieve the Company's goals;
3. Encourage the linkage and implementation of crucial sustainability issues (Materiality) to be part of the business strategy to bring about value and sustainability for the organization and the community;
4. Monitor the implementation of action plans and annual plans as well as criteria for sustainable operation to achieve expected outcomes;
5. Authorize the Committee to assign working teams to ensure that the operation is accomplished in alignment with the objectives;
6. Report the operating results and propose improvement plans to SCG's ESG Committee on a quarterly basis.

## **2.1.6 Composition, Duties and Responsibilities of the Risk Management Committee**

(Resolution of the meeting of the Board of Directors no. 240 (8/2022) on November 29, 2022)

The Risk Management Committee is appointed by the Board of Directors. Its composition includes at least one member of the Board of Directors. The Board of Directors appoints the Chief Executive Officer being the Chairman of the Risk Management Committee and grants them an authority to appoint suitable members of the Committee. The Risk Management Committee must regularly report to the Audit Committee.

The Risk Management Committee's duties and key responsibilities are as follows:

1. Define risk management structure and assign responsible persons;
2. Consider and approve risk management strategies, frameworks and procedures;
3. Review risk profile and monitor risk management practices of the entire organization;
6. Report matters on risks and risk management to the Audit Committee.

## **2.1.7 Independent Director's Qualifications**

(Resolution of the meeting of the Board of Directors no. 210 (6/2019) on June 27, 2019)

1. Shall not hold shares exceeding 0.5% of the total number of voting shares of the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons, including shares held by related persons of such independent director.
2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiaries, associates, same-tier subsidiary companies, major shareholders or controlling persons unless the foregoing status has ended not less than 2 years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the independent director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company.
3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.

The term 'business relationship' in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the applicant or his/ her counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the applicant or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness incurred during the period of 1 year prior to the date on which the business relationship with the person commences.

5. Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.
6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.
7. Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.
8. Shall not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
9. Shall be able to attend meetings of the Board of Directors and make independent judgment.
10. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.
11. Shall be able to look after the interests of all shareholders equally.
12. Shall be able to prevent conflicts of interest.

After being appointed as an independent director with all qualification items 1-13 specified above, such independent director may be assigned by the Board of Directors to make decisions relating to business operations of the Company, its parent company, subsidiary, associate, same-tier subsidiary or any juristic person which may have a conflict of interest on the basis of collective decision, whereby such actions of the independent director are not deemed partaking of management.

In case that the appointed independent director is the person who has or used to have a business relationship, or provision of professional services at a value exceeding the specified amount under item 4 or 6, the Company shall be granted an exemption from such prohibition of having or having had a business relationship or provision of professional services at such excessive value, provided that the Company has obtained an opinion of the Board of Directors indicating that after a consideration in accordance with Section 89/ 7 of the Securities and Exchange Act, the appointment of such person does not affect the performance of duties and the giving of independent opinions, and that the relevant information is disclosed in the notice of shareholders' meeting under the agenda of the appointment of an independent director.

## **2.1.6 Policy on Qualification and Nomination of Company Directors**

(Resolution of the meeting of Board of Directors no. 229 (5/2021) on July 27, 2021, effective from July 27, 2021)

### **1. Principles**

In accordance with SCG Packaging's Corporate Governance Principle, director nomination and selection is of paramount importance as the Company's Board of Directors plays a critical role in formulating strategies and business directions for the sustainable growth of SCG Packaging. As such, the Board of Directors has deemed it appropriate to develop the Policy on Qualification and Nomination of Company Directors.

### **2. Policy on Qualification and Nomination of Company Directors**

The Board of Directors shall be composed of directors who, with full qualifications and without any prohibited characteristics prescribed by the laws and the Company's Article of Association, and should consist of a diverse range of skills, experiences, knowledge and expertise beneficial for the Company, without any discrimination on the grounds of gender, age, ethnicity, race, nationality, country of origin, cultural background and religion, etc., to enable the Company to achieve its business objectives and goals, as well as support the Company to keep its management compliant with SCG Packaging's Corporate Governance. This is to ensure fairness, transparency, as well as an ability to generate returns and added values in a long term for shareholders and inspire trust in stakeholders of all parties, all of which will lead SCG Packaging towards sustainable growth.

### **3. Qualification of Company Directors**

The Board of Directors has entrusted the Corporate Governance and Nomination Committee with the task of nominating qualified candidates for directorship to replace directors retiring by rotation or under other circumstances to the Board of Directors and/or the meeting of shareholders for election. The Corporate Governance and Nomination Committee selects candidates from a pool of qualified individuals with background and expertise from various disciplines who possess leadership, a breadth of vision, integrity and ethics, clear and unblemished career records, as well as the ability to express opinion independently. Director nomination should take into account the following factors.

#### **3.1 Required qualifications in each director:**

The Corporate Governance and Nomination Committee should determine and establish individual qualities of those to be nominated as directors in each aspect.

For instance:

- Integrity and accountability
- Informed judgment
- Maturity, firmness and the ability to listen well and express independent opinion
- Commitment to principles and standards with professionalism
- Other qualifications the Corporate Governance and Nomination Committee deems important.

### **3.2 Required knowledge and expertise of the Board of Directors**

The Corporate Governance and Nomination Committee should prescribe a set of knowledge and expertise requirements for the Board of Directors and formulate the Board Skill Matrix to be used in the selection and nomination of qualified candidates. These requirements should encompass knowledge and areas of expertise that will enhance the ability of the Board of Directors to formulate strategies and policies as well as ensure their effective implementation, such as business, marketing, organization management, vision and strategic planning, accounting and finance, risk management, business and investment laws, innovation and technology, and other areas of expertise that deem to be beneficial to the Company in the next 3-5 years.

### **3.3 Diversity of the Board of Directors**

In addition to the two aforementioned factors, the Corporate Governance and Nomination Committee may also establish guidelines relevant to diversity of the Board of Directors, such as gender, age, ethnicity, race, nationality, country of origin, cultural background and religion.

## **4. Director nomination and selection process**

The nomination and selection of new directors involves a total of four steps as the following details:

### **4.1 Planning**

For the Corporate Governance and Nomination Committee to determine guidelines and plans for nominating individuals with appropriate qualifications for thorough and timely consideration of new directors election, the Company Secretary are required to perform the following duties and propose for the Corporate Governance and Nomination Committee's consideration:

- Review the director's knowledge, capabilities, skills and experiences in the Board Skill Matrix.
- Prepare a schedule for the rotation terms of the Board of Directors and the sub-committee for each director.
- Review the Company's Qualifications of Independent Directors.
- Aggregate guidelines for director nomination, qualifications of individuals who will be directors as approved by the Board of Directors, relevant practices of SCG Packaging's Corporate Governance, and practices of good Corporate Governance concerning director nomination according to relevant divisions/organizations, such as the Securities and Exchange Commission (SEC) and the Thai Institute of Directors (IOD).
- Propose a process timeline in compliance with the meeting schedule of the Corporate Governance and Nomination Committee, the Board of Directors and the shareholders' meetings.

### **4.2 Nomination of Candidates**

Nomination of qualified candidates for the consideration of new director election should be based on the following:

#### 4.2.1 Nomination of new directors by the Board of Directors

The Chairman of the Corporate Governance and Nomination Committee shall propose at the Board meeting to nominate candidates that are deemed qualified according to the Board Skill Matrix and business strategies within the specific time.

#### 4.2.2 Nomination of new directors by the shareholders

To ensure the implementation of a procedure which enables minor shareholders to participate in the nomination and appointment of directors and ensure that minor shareholders are able to elect independent directors to reserve their own benefits, the Company must allow at least 3 months for all shareholders to nominate candidates to be considered for the election as new directors according to the specified criteria and procedures. The Corporate Governance and Nomination Committee shall consider and propose the Board meeting to approve an appropriate and sufficient period of time to consider the selection and election in the next steps, where the Company Secretary shall inform SET about the timeline and other details, as well as publishing such information on the Company's website.

#### 4.2.3 Aggregation of candidate list from reliable sources

The Company Secretary shall aggregate lists of candidates in the Chartered Director of the Thai Institute of Directors as well as lists of directors of SET listed companies who match the Company's Board Skill Matrix and proposed such lists to the meeting of Corporate Governance and Nomination Committee as supporting materials for consideration.

### 4.3 Selection

The Company Secretary shall aggregate the lists acquired from the step 4.2 to be proposed to the meeting of Corporate Governance and Nomination Committee for consideration.

The meeting of the Corporate Governance and Nomination Committee (excluding directors having interests in such a matter) shall determine the director's qualifications from the Board Skill Matrix to screen the lists of candidates qualified for the new director's positions from the step 4.2. This must comply with the Policy on Qualification and Nomination of Company Directors. The Corporate Governance and Nomination Committee shall also take into account diversity of the Board of Directors structure and the directors' devotion of time to their duties, and select the individuals with knowledge, expertise or experiences in providing beneficial advices for business operation strategies and policies in accordance with sustainable development approaches, before proposing to the Board of Directors' meeting for consideration.

The Company Secretary shall review the basic qualifications of the nominated persons from public sources regarding their directorship or executive positions in other businesses that may lead to conflicts of interests with the Company, and the qualifications of independent directors.

Should any director be nominated to continue his/her directorship for another term, time devotion to his/her duties, performance during his/her directorship and the number of other companies in which he/she holds directorship, which must not exceed four listed companies, shall be taken into account to ensure that his/her work efficiency will not diminish.

In the case of independent directors' nomination, the consideration shall be based on the directors' independency corresponding to the criteria stipulated by The Securities and Exchange Commission and by the Company. The necessity of additional selection of independent directors shall also be taken into account upon the lack of qualifications of the current independent directors to ensure that the composition of the Board of Directors is in compliance with the policies prescribed by the Board of Directors. In regard to the determination of independent directors' terms of service, an independent director who is to continue his/her position for another term shall hold his/her position for no more than nine consecutive years from the date of his/her first appointment as an independent director. If an independent director is appointed to continue his/her position, the Board should consider the reasonable necessity.

#### 4.4 Election

##### 4.4.1 Election of directors in replacement of those retiring by rotation

The Board of Directors (excluding directors having interests in such a matter) shall thoroughly and carefully consider the qualifications of the candidates which are individually nominated by the Corporate Governance and Nomination Committee before proposing the nomination of qualified individuals to the shareholders' meeting to consider director election. In addition, the Board Meeting may appoint the Chief Executive Officer and/or appropriate directors to approach the individuals of whom the Board of Directors has given consent to participate in the director election, and report the progress of approaching said nominated persons for the Board of Directors' acknowledgement/consideration.

##### 4.4.2 Election of directors in replacement of those resigning before their terms

Election of directors in replacement of those resigning before their terms shall be proceeded through the same process as that of the election of directors replacing those retiring by rotation. However, the meeting of the Board of Directors shall consider the election of directors without proposing to the shareholders' meeting for consideration.

In addition, in case where the remaining terms of office of directors resigning before their terms are less than two months, the shareholders' meeting is required by the laws to elect directors to replace said resigning directors.

## **2.1.9 Scope of Duties and Responsibilities of the Chief Executive Officer**

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

Scope of duties and responsibilities of Chief Executive Officer are as follows:

1. Define, jointly with the Board of Directors, the company's vision, missions, strategies, master operating plans, budget, goals and policies.
2. Communicate with the Management on matters regarding the company's vision, missions, strategies, master operating plans, budget, goals and policies as approved by the Board of Directors so that they can use it as the framework for doing the work plan and administration.
3. Monitor the Management to execute their work according to the plan, budget, goals and policies as approved by the Board of Directors.
4. Monitor overall management of financial, marketing, production, human resource, risk, internal control and other operations of the Company and its subsidiaries to meet the Company's policies and business plan as approved by the Board of Directors and comply with laws, objectives, articles of association of the Company, resolutions of the Board of Directors as well as the general meetings of shareholders with accountability, due care, prudence and loyalty for the utmost benefits of the Company and fairness to concerned parties.
5. Develop and improve the operation of the Company and its subsidiaries continuously and support innovation that creates value added for the sustainable growth of the Company pursuant to strategic plan of the Company.
6. Monitor the Management to assure their participation and facilitation in building corporate culture of ethics and good governance.
7. Follow up performance assessment of the Company, its subsidiaries and/or affiliates through their routine performance reports and monitor that their financial reports and information disclosure are made accurately, sufficiently, timely and comply with applicable rules and guidelines.
8. Define rules, regulations, guidelines, and requirements for organization structure of positions which does not require the power of the Board of Directors or its subcommittees including employment, appointment, rotation, disengagement and termination employees of the Company whose positions does not require the power of the Board of Directors or its subcommittees.
9. Determine wage rate, compensation, reward, bonus and merit increase for management and employees whose positions are not under the power of the Board of Directors or its subcommittees in accordance with the structure and policy provided by the Board of Directors.

10. Direct and issue rules, regulations, notifications and internal mandate for the Company's operation to comply with the Company's policy and for the benefits of the Company as well as for maintaining good order in the organization.
11. Represent the Company in communication with shareholders and facilitate the Board of Directors in providing appropriate channel for communication with shareholders consistently and disclosing information with standardization and transparency.
12. Represent the Company for public relations particularly on building network and corporate image both national and international level.
13. The Chief Executive Officer must not attend the meeting or approve transactions that he/she or persons who may have conflict (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Market Supervisory Board), engage of interest or receive of any kind of benefits or have conflict of interest with the Company or its subsidiaries unless the approval of said transactions has been made in accordance with the policy or guideline approved by the general meeting of shareholders or the Board of Directors.
14. Consider and approve ordinary business transactions and ordinary business support transactions under general commercial conditions within the amount approved by the Board of Directors and complied with rules specified by the Office of the Securities Exchange Commission ("Office of SEC) and the Securities Exchange of Thailand ("SET") regarding connected transactions and transaction of acquisitions and dispositions of assets including approval of transactions pursuant to Delegation of Authority as authorized by the Board of Directors.
15. Operate in accordance with the regulations of the Office of SEC and SET regarding connected transactions and transactions of acquisition and disposition of assets as well as the Company's regulations as approved by the Board of Directors.
16. Execute other works as assigned and authorized by the Board of Directors.
17. Consider the appointments of advisors as deemed necessary for the operation of the Company.
18. Sub-authorize and/or assign a person or group of persons to act on behalf of the Chief Executive Officer under the scope of power specified in the Power of Attorney of the Company and/or rules, regulations or resolutions of the Board of Directors provided that said authorization of the Chief Executive Officer must not incur conflict of interest or any conflict in whatever area to the Company or its subsidiaries. In case of conflict of interest, said transaction must be proposed to the Board of Directors and/or the general meeting of shareholders (as the case may be) for consideration and approval unless it is an ordinary business transaction that the Company made under the same condition with non-related person (Arm's Length).

## 2.1.10 Policy and Guidelines on the Chief Executive Officer and Top Executives

### Holding Directorships in Organizations outside SCGP

(Resolution of the meeting of the Board no.224 (8/2020) on December 1, 2020, effective from December 1, 2020)

The Board of Directors of SCG Packaging Public Company Limited has established the policies and guidelines on the Chief Executive Officer and Top Executives holding directorships or devoting the Company's working time for other companies, organizations or institutes outside SCGP besides holding directorships in the subsidiaries, associated companies and other companies in which the Company invests. The basic principles of such policies and guidelines are based on the good Corporate Governance principles and SCG Packaging's Code of Conduct regarding conflicts of interests, where the employees shall not conduct any specific business that constitutes or may constitute a competition with the Company's business and the Company shall receive the utmost benefits according to the Company's aim to encourage the employees to strive to work hard as well as fully dedicating their working time for the Company. The propriety of such matters shall be under the discretion of the Company on a case-by-case basis as follows:

#### Policies

The Chief Executive Officer and top executives may hold directorships or devote the Company's working time for companies, organizations or institutes outside SCGP that are not subsidiaries, associated companies and other companies in which the Company invests, as follows:

- (1) Government agencies, which constitute support for the government that will be public benefits
- (2) Private agencies founded for public interest such as the Federation of Thai Industries, Thai Chamber of Commerce, Thailand Management Association.
- (3) Private agencies founded for commerce that do not lead to conflicts of interests with the Company nor spend time that exert negative effects upon the Company

In addition, the organizations must not be founded for benefits of any particular political parties.

#### Practices

The Chief Executive Officer shall propose for the Board of Directors' approval for holding directorship in other companies or institutes outside SCGP, while the top executives shall propose to the Chief Executive Officer for such approval.

In case where the Chief Executive Officer or top executives obtain remunerations from holding directorships in or working for companies, organizations or institutes outside SCGP, the Chief Executive Officer and top executive shall transfer such remunerations to the Company or charitable organizations according to the Company's required methods.

#### The number of companies/institutes allowed for holding directorships

The Chief Executive Officer may hold directorships or devote the Company's working time for companies, organizations and institutes as agreed by the Board of Directors without contradiction to nor inconsistency with the requirements in the Charter of the Boards of Directors, while, in the case of top executives' directorships, these shall be under the Chief Executive Officer's discretion. The information on such directorships shall also be reported to the Company as required by applicable laws and regulations as well as the Company's policies.

## **2.2 Corporate Management Policies and Practices**

### **2.2.1 Charter of the Internal Audit Office**

(Resolutions of the meeting of the Audit Committee no. 4/2022 on November 27, 2022, effective from November 27, 2022)

This Charter is made for the purposes of setting the missions, scope of work, authorities and accountabilities including operational guidelines and practices of the Internal Audit Office, SCG Packaging Public Company Limited, and making the Board of Directors, the Management Committee and all levels of employees of SCG Packaging understand in summary of the following issues:

#### **Missions**

The mission of the Internal Audit Office is to foster, safeguard, and protect the value of the organization by providing risk-based assurance in a fair manner and offering suggestions.

#### **Definitions**

Tasks of the Internal Audit Office includes rendering assurance services and consulting services independently and fairly to add value and improve operation of companies in SCG Packaging. The Internal Audit Office contributes business operations in SCG Packaging to meet their defined objectives by assessment and improvement the effectiveness and efficiency of the risk management system, internal control and corporate governance process by using appropriate method and program.

#### **Duties and accountabilities**

Duties of the Internal Audit Office include the following areas:

##### **Governance, risk management, compliance and internal control**

1. Auditing the financial reports that they are conducted in accordance with Thai Financial Reporting Standard and international as well, having operational process and supporting document correctly, completely, transparently and reliably, disclosing sufficient information in the notes to the financial statements, considering impacts from the changes of accounting standard and selecting accounting policy to the Audit Committee.
2. Auditing connected transactions, acquisition or disposing of assets or transactions probably incurring conflicts of interest that they comply with applicable laws and regulations of The Securities and Exchange Commission and the Stock Exchange of Thailand
3. Assessing the risk management system and motivating companies in SCG Packaging to perform risk management internationally, capable to identify significant risks and manage them efficiently, have appropriate risk index including risk warning signal and

auditing the correctness and effectiveness of work procedure, risk management, control, governance and security of information and communication network that they are efficient and comply with international standard.

4. Assessing the efficiency of promotion and building awareness, reviewing risk assessment, internal control, creating of preventive work system, auditing, and providing suggestions for setting forth preventive measures and guidelines, as well as reviewing self- assessment form concerning anti- corruption measures to be in compliance with governing agents such as Thai Private Sector Collective Action Against Corruption (CAC), Institute of Directors Association (IOD) and the National Anti-Corruption Commission.
5. Auditing work process that it is conducted according to good corporate governance.
6. Auditing control and compliance process according to applicable laws on securities and stock exchange market, regulations, rules and other laws related to the Company's business.
7. Assessing the internal control system to assist the companies in SCG Packaging in conducting their significant business activities with appropriate internal control system to prevent substantial damage and assessing overall internal control system of the audited companies under COSO 2013 internal control framework.
8. Auditing frauds and complaints according to rules and regulations under relevant laws and defining guidelines for remedy and fraud prevention.
9. Defining and developing preventive system and audit method to promote preventive operation of the companies in SCG Packaging for the benefits and value added increasing of the organization by meeting the objectives and targets effectively and efficiently and compliance with the company' s rules and regulations, laws on securities and stock exchange market and other relevant laws.

#### Others

10. Proposing the Audit Committee to consider the appointment of the Company's auditor and its remuneration, coordinate with the auditor for the exchange of information relevant to the audit and meet with the auditor without management at least once a year.
11. Preparing the Audit Committee's Report for the Chairman of the Audit Committee to consider and sign before disclosing in the Company's Annual Report.
12. Proposing the Audit Committee to consider and approve budgets and manpower of the Internal Audit Office.

13. The Director of the Internal Audit Office is responsible to find the independent opinion from other profession advisors in case if it is necessary for the benefits of considering and providing comments to the operation of the Company at the Company's expenses.
14. Arranging for the annual performance assessment of the Audit Committee and its members.
15. Reviewing the Charter of the Internal Audit Office for alignment with the Charter of the Audit Committee and regularly submit the Charter of the Internal Audit Office for the Audit Committee's consideration at least once a year.
16. Any other work as required by laws or assigned by the Board of Directors or the Audit Committee.

#### Scope of Audit

The Internal Audit Office is responsible to internal audit work in SCG Packaging, its subsidiaries and joint ventures under the management of SCG Packaging. Other companies are audited as assigned by the Audit Committee or the top executives or when irregular circumstances are encountered in order to assure that the risk management system, internal control and corporate governance of SCG Packaging are sufficient, efficient and meet the objectives. Moreover, the Internal Audit Office has contributed to offering all round improvements such as administration control, profit raising opportunity as well as the corporate reputation and image as follows:

1. Identification of risk factors, risk assessment and appropriate risk management;
2. Appropriate and efficient internal audit by:
  - 2.1 Having information on finance, administration and significant operation which are correct, reliable and on time;
  - 2.2 Performing the work in compliance with policies, standards, regulations, including relevant laws and rules;
  - 2.3 Performing the work effectively and efficiently;
  - 2.4 Procuring assets economically and effectively and maintaining them sufficiently.

#### Audit Authorities

The Director of the Internal Audit Office and the audit officers are authorized and have its authorities to access information, work system and personnel of the Company related to performing the audit as necessary and appropriate. It is the duty of the management at all levels in SCG Packaging to support the work of the Internal Audit Office to meet the objectives of the audit and gain utmost benefits to SCG Packaging.

Any document and information received or known by the audit officers will be kept confidentially and will not be disclosed to any other party without permission from relevant authorized party unless the disclosure is required by laws.

#### Report and Follow-up

1. The Director of the Internal Audit Office has the duties to control and manage that the audit has been performed according to the audit plan and arrange for the audit reports to be presented to the management of the audited company and present the summary reports to the Management Committee of SCG Packaging and the Audit Committee. As for the administration work, the Director of the Internal Audit Office reports to CFO, SCG Packaging Public Company Limited.
2. The Director of the Internal Audit Office is responsible to define and control the audit result follow-up system and build preventive work system.

#### Independence and Fairness

1. Performing the audit activities including scope of audit, process, timeline and content of the audit report must be independent from any influence so that the audit performance is efficient and meets objectives and audit plan.
2. The Director of the Internal Audit Office and the audit officers must have neutral attitude, not unfair, not bias and avoid conflicts of interest.
3. The Director of the Internal Audit Office and the audit officers should omit from auditing the work they have been responsible previously. Providing the assurance to the tasks responsible in the previous year of the audit officers could be considered as a cause of fairness deterioration.
4. In case the independence or fairness is deteriorate, the causes of such deterioration should be disclosed in detail as appropriate to concerned parties. The manner of the disclosure depends upon the causes of such deterioration.

#### Qualifications of Internal Audit Officer

1. Having knowledge, competency, and expertise in operational audit.
2. Having knowledge, and understanding of good corporate governance, risk management, laws, regulations, rules, and orders; having knowledge in control and audit technique in IT is required for IT Audit Officer.
3. Developing knowledge, professional competency, efficiency and quality of internal audit work continuously.

4. Having good relationship, courteous, open- mind, and providing recommendation beneficial to SCG Packaging and in compliance with international standard.
5. Being independent and having no interest in the subject to be audited.

#### **Code of Ethics**

Internal auditors must perform their duties in accordance with the Internal Auditor Code of Ethics, comprising:

1. Integrity
2. Objectivity
3. Confidentiality
4. Competency
5. Transparency

#### **Standards for the Professional Practice of Internal Auditing**

Internal Auditor shall perform its duties according to the International Standards for the Professional Practice of Internal Auditing.

## **2.2.2 Sustainable Development Policy**

(Resolutions of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019, effective from August 21, 2019)

SCG Packaging Public Company Limited (“the Company”) and its subsidiaries both in Thailand and overseas have policies to operate their businesses on the basis of sustainable development by taking into account risks and opportunities in enabling work improvement at all levels of the organization, both short-term and long-term demands and expectations of all stakeholders, as well as social and environmental impacts. Such information is also vital to the development of the Company’s business strategy to achieve sustainable growth in ever-changing circumstances as well as maintaining balance in economic, societal and environmental aspects.

**Economy:** Rather than solely valuing profits as its most important objective, SCG Packaging also focuses on instilling values emphasizing on responding to demands and expectations of all stakeholders, increasing the organization’s capability and adaptability to changes, and supporting all stakeholders to operate their businesses on the basis sustainable development.

**Society:** SCG Packaging conducts its business with fairness, treat their employees with fairness and equality, strive to create the safest work environment and concerning for social responsibility as well as contributing to the improvement of life quality of people in the areas in which the Company operates.

**Environment:** SCG Packaging strives to conserve the environment, efficiently utilize the resources and sustainably maintain balance in the ecosystem.

Guidelines on sustainable development in the business operations of the Company and its subsidiaries both in Thailand and overseas are as follows:

1. Incorporate advanced, safe and environmental-friendly machinery and technology to reduce resource usage, convert waste materials from manufacturing to energy for usage, and control and reduce pollution caused by manufacturing process.
2. Develop, design and provide consumers with products which are easy to use, durable, reusable and recyclable while aiming for good quality, safety, and environmental friendliness at the same time. SCG Packaging also strives to improve the capability of the organization to become a leader and an expert equipped with creativity and capability to continually develop innovations in packaging industry.
3. Support the communities near the manufactories and all parties involved to live together in peace, share opinions and determinedly participate in finding solutions for

all problems, as well as emphasizing on achieving sustainable social development through various social projects.

4. Organize activities and campaigns to inspire environmental consciousness in the new generations as well as the youths living near manufactories.
5. Cooperate and coordinate with communities, government organization, suppliers and external agencies that take an interest in sustainable development as a role model.

### **2.2.3 Compliance Policy**

(Resolutions of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019,  
effective from December 16, 2019)

To ensure that the business operation of SCG Packaging is comply with relevant regulations, every employee is expected to fulfill their duties with honesty, integrity and morality, and commit to the Company's four Core Values, namely "Adherence to Fairness, Dedication to Excellence, Belief in the Value of the Individual and Concern for Social Responsibility", as well as strictly adhering to best practices in accordance with SCG Packaging's Code of Conduct. Furthermore, they are also expected to strive to be good citizens of every country in which SCG Packaging operates to prevent risks that may arise and affect SCG Packaging, its directors, executives and employees or undermine the confidence of all stakeholders. Therefore, the meeting of the Board of Directors no. 216 (12/2562) has thus resolved to issue the following compliance policy.

#### **Definitions**

**Regulations** means things that the Company shall comply or adheres to as work principles including laws, rules, principles, the Company's Articles of Association, agreements, Business' Code of Conduct, policies, work measures, best practice guidelines and social commitments.

**Compliance with regulations** means compliance with laws, rules, principles, the Company's Articles of Association, agreements, Business' Code of Conduct, policies, work measures, best practice guidelines and social commitments.

**Compliance management** means the procedures that are implemented to prevent any work practice that does not comply with relevant regulations as well as reducing the impacts which may occur from noncompliance with regulations. Operational Governance is carried out through several protocols which encourage, support, regulate, audit, and report the operation to ensure compliance with regulations, such as gathering relevant regulations, assessing and carrying out work in compliance with regulations, tracking, assessing, improving, and managing risks, training, communicating, raising awareness as well as managing resources.

**Executives** mean employees whose duties are to set the policies for each division and/or ensure compliance with policies, as well as encourage, distribute and review the division's resources.

**SCG Packaging** means SCG Packaging Public Company Limited and its subsidiaries according to the Company's consolidated financial statements.

### **Compliance Policy**

- 1) Each director, executive and employee shall strive for full compliance with the laws, regulations, orders, Articles of Association, contractual obligations, business ethics, policies, operational standards, best practices and public commitments in every country where SCG Packaging operates.
- 2) Compliance with domestic and international laws is of paramount importance that every director, executive and employee of SCG Packaging shall respect and comply. Any illegal transactions are thus unacceptable.
- 3) Regulatory compliance constitutes part of the duties that each director, executive, and employee of SCG Packaging shall fulfill actively, by initiating communications and fostering correct understanding, issuing compliance guidelines and ensuring correct implementation, as well as raising awareness and further fortifying SCG Packaging's culture of honesty, integrity and strengthening compliance.
- 4) SCG Packaging focuses on the implementation of a compliance management system in the operation to ensure compliance with the laws and key public commitments as prescribed by SCG Risk Management Committee or each business unit, by managing efficient compliance procedures in the operation and constantly improving such procedures to correspond with both internal and external business environment and any changes that may occur.
- 5) Any employee of SCG Packaging who reports or provides information on an act that is or may constitute a violation of any law or key public commitment will be protected in accordance with SCG Packaging's Whistleblowing Policy.

### **Compliance Guidelines**

Enhancing and supporting compliance management systems will ensure that SCG Packaging conducts the business in compliance with relevant regulations with accuracy, precision, has work standards which efficiently help prevent noncompliance with regulations, as well as appropriately improving the efficiency in daily works. Details of the guidelines are as follows:

- 1) Establishing a scope of compliance and appointed persons in charge of establishing and implementing compliance management system into the organization. The executives shall establish a scope of laws and social commitment which is crucial for setting up a compliance management system and identifying relevant persons, departments, activities or areas responsible for setting up and implementing a compliance management system.

2) Establishing work standard

2.1) Concerned personnel shall gather regulations relating to the scope of compliance as stipulated by the executives in item 1.

2.2) Work standard shall be demonstrated as a guideline to working in compliance with applicable regulations.

3) Compliance and capability improvement in daily work

3.1) Monitor works to ensure compliance with stipulated work standard.

3.2) Monitor and audit works to ensure that the works have been precisely and accurately conducted carried out in compliance with relevant regulations.

3.3) Report compliance with regulations to authorized persons and relevant parties to monitor and supervise works to ensure effective and efficient compliance with regulations.

3.4) Any matter which may be considered noncompliance with regulations shall be improved and mended to reduce the impacts that may occur and to prevent recurrent acts of noncompliance in the future.

3.5) Manage risks regarding compliance with regulations. Significant risks must be timely and appropriately handled.

3.6) Operations relating to compliance with regulations shall be regularly reviewed to ensure achievement of desired objectives.

4) Supporting operation regarding compliance with regulations as follows:

4.1) Necessary resources shall be efficiently allocated to ensure successful compliance with regulation.

4.2) Enhance knowledge and skills of employees so that they could regularly and accurately act in compliance with regulations.

4.3) Raise awareness and encourage organizational culture which adhere to compliance with regulations through various means such as work training, sharing experiences from experts, holding campaigns which focus on important matters, communicating, publicizing, setting good values and examples, encouraging with rewards or compensations, and setting appropriate punishment measures.

4.4) Document or information relating to conducting operations in compliance with regulations shall be monitored appropriately to ensure that such document or information is accurate, complete, capable of being used appropriately, safely kept from being destroyed, forfeited, disappeared, leaked, publicized, and can be searched for and stored with ease.

### **Duties and responsibilities**

- 1) The Board of Directors of the Company shall set the compliance policy of SCG Packaging and monitor on a policy basis by assigning the Risk Management Committee to monitor the operation to comply with the compliance policy. The duties of the Board of Directors also includes instilling good conscience, encouraging compliance with regulations, as well as acting as a good role model to pass on the compliance culture of SCG Packaging.
- 2) The Audit Committee has duties to conduct an audit to ensure that SCGP Packaging has compliance monitoring and tracking procedures as well as supervising the internal audit system and auditing the compliance assessment report.
- 3) The Risk Management Committee has duties to monitor that the compliance policy is implemented by establishing effective and appropriate compliance procedures to ensure that SCG Packaging operates its business in compliance with relevant regulations. The responsibilities of the Risk Management Committee includes reporting any act of noncompliance which affects SCG Packaging
- 4) The executives are the key persons in charge of having the policy implemented practically and regularly. The executives, thus, must understand the compliance policy, its practices and regulations relating to their works, as well as ensuring that proper communication and imburement of good conscience are undertaken. Responsibilities of the executives includes encouraging their subordinates to value the importance of acting in compliance with regulations, setting guidelines and supervise their subordinates to ensure they precisely and consistently comply with regulations, and act as a good role model to pass on the compliance culture of SCG Packaging.
- 5) The employees of SCG Packaging must understand their roles, duties and responsibilities in following the compliance policy and relevant regulations. They must also strive to enhance their knowledge and skills as well as having a true understanding in their own duties, being responsible and diligent towards their assigned duties, and having a thoughtful approach to their works.

If the employees have any inquiry regarding compliance with regulations, they should ask their supervisors or supporting agencies responsible for clarifying such inquiry such as compliance division, legal division or other divisions which may have expertise in compliance.

Whistleblowing Policy In case that there is any act of noncompliance or avoidance of compliance with regulations, all employees of SCG Packaging must report to their supervisors or persons in charge or notify via various channel, such as whistleblowing system, and cooperate in the investigation. SCG Packaging shall give fair treatment and protect the whistleblowers who reports any noncompliance with regulation.

- 6) All divisions shall gather information and report any act of noncompliance or avoidance of compliance with laws and social commitment which are considered crucial to SCG Packaging to compliance divisions of SCG Packaging as well as supporting and cooperating with compliance divisions to solve problems, protect and manage any risk which may occur, including improving and enhancing SCG Packaging's compliance efficiency. The reported information will be kept confidential while the safety of the whistleblowers and the disadvantage which may occur to the whistleblowers will be prioritized.
- 7) Compliance division of SCG Packaging is the corporate division responsible for monitoring compliance in operations, advising, supporting, following and analyzing data, as well as assessing and reporting compliance's effectiveness and efficiency, to ensure that SCG Packaging operates its business in compliance with applicable regulations which, in turn, promote improvement and enhancement of SCG Packaging's compliance level.

## **2.2.4 Anti-corruption Policy**

(Resolutions of the meeting of the Board no. 239 (7/2022) on October 25, 2022, effective from October 25, 2022)

SCG Packaging Public Company Limited (“the Company”) conducts its business with fairness based on a philosophy that the Company shall demonstrate a keen sense to social responsibility and the best interests of its stakeholders in alignment with the principle of Corporate Governance, SCGP’s Code of Conduct, and stakeholder engagement policy and guidelines. In 2020, the Company has become a member of Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC).

The meeting of the Board of Directors no. 211 (7/2019) has, therefore, established the written Anti-corruption Policy. The Company has reviewed the previously issued Anti-corruption Policy to ensure that the Company has in place a policy that defines responsibilities, guidelines, and appropriate operational requirements to prevent corruption in all of the Company’s business activities and that all decisions on business operations potentially incurring risk of corruption are considered and executed with due circumspection. The meeting of the Board of Directors no. 239 (7/2022) have resolved to further review this written Anti-corruption Policy for better adequacy.

### **Definitions**

Corruption refers to any types of bribery, whether in the form of offering, promising to give, giving, agreeing to give, requesting, or accepting money, assets, or other benefits to or from a government officer, a government agency, a private organization, or a responsible person, either directly or indirectly, in order that such person acts or refrains from acting in the exercise of his or her duties in order to obtain or retain business or recommend a specific business to the company, or obtain or retain other undue business advantages, except where such act is allowed by laws, rules, notifications, regulations, or local customs.

Facilitation Payment refers to a small amount of expenses unofficially paid to the government officers simply to ensure that the government agencies will carry out the business in an orderly manner or to expedite the process.

The Company’s personnel refers to directors, executives, and employees of the Company and its subsidiaries.

A subsidiary refers to a subsidiary company in accordance with the consolidated financial statements of the Company.

## Anti-corruption Policy

The Company will not accept any form of corruption. The Company's personnel is to strictly comply with the Anti-corruption Policy and is prohibited from engaging in or accepting any form of corruption, either directly or indirectly. This shall apply to all businesses in every country and all agencies involved. Compliance with this policy shall be regularly reviewed. Relevant operational guidelines and requirements shall also be revised to ensure alignment with changes in business, rules, regulations, and legal requirements.

## Duties and Responsibilities

1. The Board of Directors is responsible for establishing an anti-corruption policy and putting in place effective anti-corruption systems in order to ensure that the Company's personnel recognize the significance of anti-corruption efforts and cultivate an anti-corruption mindset as part of the Company's organizational culture.
2. The Corporate Governance and Nomination Committee has a duty and responsibility to oversee that a proper anti-corruption policy for business operation is implemented.
3. The Audit Committee is responsible for reviewing financial and accounting reporting systems, internal control systems, internal audit systems, and risk management systems to ensure their compliance with international standards as well as their prudence, suitability, currency, and effectiveness. The Audit Committee is also in charge of handling submission of information regarding corruption involving the Company's personnel, conducting fact-finding investigations, presenting the matter to the Board of Directors to determine disciplinary action or solutions, as well as giving consultation and ensuring compliance with this Anti-corruption Policy.
4. The Chief Executive Officer, the Management and the executives are responsible for implementing the Anti-corruption Policy by putting in place relevant systems and promoting the policy as well as communicating it to the Company's personnel and related parties. They are also charged with reviewing the suitability of relevant systems and measures to ensure alignment with changes in business, rules, regulations and legal requirements.
5. The Internal Audit Director is responsible for reviewing risk assessment and offering recommendations on the formulation of corruption risk prevention procedures and approaches to present to the Audit Committee and the Board of Directors. The Internal Audit Director is also responsible for auditing and reviewing operations to ensure their compliance with policies, guidelines, Delegation of Authority, procedures, laws, and requirements of regulatory agencies and make certain that the Company's control systems are suitable, prudent, and sufficient for handling potential corruption risks. Outcomes of such audits and reviews shall be reported to the Audit Committee.

### **Anti-corruption Guidelines**

1. The Company's personnel and subsidiaries shall follow the Anti-corruption Policy and SCGP's Code of Conduct and avoid any direct or indirect involvement with corruption.
2. The Company's personnel shall not be negligent to take action upon detecting an act involving the Company which can be construed as corruption. It is their duties to notify their supervisors or responsible persons of such incidents and give full cooperation in the fact finding investigation. Should there be any inquiries or questions, they may consult their supervisors or persons designated to oversee compliance with SCGP's Code of Conduct through various channels provided.
3. The Company shall ensure fairness and provide protection to the Company's personnel who refuse to engage in corruption or report corruption cases related to the Company through a protection procedure which is intended for those who follow the Anti- corruption Policy, file complaints, or cooperate in reporting corruption as defined in the Whistleblowing Policy
4. The Company recognizes the importance of disseminating, educating and fostering an understanding among third parties whose duties involve or may impact the Company on matters where compliance with the Anti-corruption Policy is required.
5. The Company strives to foster and maintain an organizational culture with zero tolerance against corruption in transactions with both public and private sectors.
6. The Company's Risk Management Committee is responsible for preemptively assessing potential corruption risks. The Internal Audit Office has put in place appropriate and efficient audit processes and internal control systems for processes, finance, accounting, record keeping, and others, which are subject to regular review.
7. The Company shall comply with laws related to anti-corruption in Thailand and every country where it conducts business.
8. The Company and its subsidiaries shall consider taking appropriate action to ensure that its agents, contract counterparties, or any person acting on behalf of the Company and its subsidiaries are informed of the principles set forth in this Policy.

### **Rules of Practice**

1. This Anti-corruption Policy shall also apply to human resource processes, including nomination or selection, promotion, training, evaluation of the Company's personnel, and remuneration. Supervisors at all levels shall communicate the policy to the Company's personnel so that they can apply it to business activities within their scope of responsibility and supervise its implementation to ensure efficiency.

2. Any implementation of the Anti-corruption Policy shall be in compliance with guidelines set forth in SCGP's Code of Conduct, Corporate Governance Handbook, stakeholder engagement policy and guidelines, as well as relevant rules and operational handbooks, and additional guidelines to be formulated in the future.

3. Ensure clarity regarding activities involving high risks of corruption, the Company's personnel shall exercise caution and comply with SCGP's Code of Conduct and guidelines as follows:

### 3.1 Gifts and Hospitality

Any offering or accepting of gifts and hospitality shall comply with SCGP's Code of Conduct.

### 3.2 Donations or Sponsorship

Any offering or accepting money or assets for donations and sponsorships or assets shall be transparent and legal. It must be made certain that such money or assets for donations and sponsorships shall not be used as a pretext for bribery.

### 3.3 Facilitation Payment

All facilitation payment to government employees, both directly and indirectly, is prohibited.

### 3.4 Political Contributions

- (1) The Company shall maintain political neutrality and shall not act in the interest of or provide financial or other support to political parties, political coalitions, political figures, or political candidates, either directly or indirectly, either at the local, regional, or national level.
- (2) The Company's personnel shall strictly comply with SCGP's Code of Conduct in relation to political action.

### 3.5 Hiring of government employees (Revolving Door)

The hiring of government employees or former government employees who have retired from their positions for no more than two years to hold any positions that may create a conflict of interest or noncompliance with laws and regulations is prohibited. The Company shall set forth the procedures for disclosing the hiring of government employees or former government employees to ensure transparency and verifiability.

### 3.6 Business relations and procurement with public and private sectors

Any offering or accepting of bribery is prohibited in all business activities. Any dealing with public and private sectors shall be transparent, honest, and in compliance with relevant laws.

### Communication and Training

1. The Company shall communicate and disseminate the Anti-corruption Policy to the Company's personnel through various channels, such as orientation for new personnel of the Company, training sessions or seminars, as well as internal public relations within the Company's workplaces and electronic systems. The Company shall also periodically communicate to the Company's personnel various forms of corruption, risks of being involved in corruption, and how to submit information. This is to ensure that the Company's personnel acknowledge and implement the policy.

2. The Company shall communicate and disseminate the Anti-corruption Policy as well as the Company's whistleblowing channels to the public, subsidiaries, associates and stakeholders via various channels, such as websites, annual reports, and annual registration statements, to foster an understanding and support anti-corruption efforts

3. The Company's personnel who have any inquiries about this policy may consult their supervisors, Secretary to the Audit Committee, or the Internal Audit Director

### Disciplinary Action

The Company's personnel who fail to comply with this policy are considered violating the Code of Conduct which is subject to disciplinary action under the Company's regulations and may also be subject to legal punishments if they commit an offense under the law.

### Whistleblowing Measures and Channels

The Company has established mechanisms for whistleblowing, complaint handling, and the processing of cases related to violation of laws, rules, and SCGP's Code of Conduct or to behavior of the Company's personnel that may be suspicious of corruption. The Company has also prescribed appropriate whistleblower protection measures according to the Whistleblowing Policy to provide a clear guideline and enhance the efficiency of corruption and misconduct complaint handling.

## **2.2.5 Connected Transaction Policy**

(Resolutions of the meeting of the Board no. 212 (8/2019) on August 21, 2019, effective from August 21, 2019)

SCG Packaging Public Company Limited (“Company”) operates in accordance with applicable laws and good corporate governance guidelines for listed companies of the Stock Exchange of Thailand (“SET”) and the Office of Securities Exchange Commission (“SEC Office”). Therefore, it establishes the Connected Transaction Policy (“Policy”) to strictly comply with the Securities and Exchange Act B.E. 2535 and its amendments (“Securities Act”), Notification of the Capital Market Supervisory Board No. TorChor. 21 / 2551 regarding Rules on Connected Transactions dated 31 August B.E. 2551 (“Notification of the Capital Market Supervisory Board No. TorJor. 21/2551”) and Notification of the Board of Governors of the Stock Exchange of Thailand (BorJor/Por 22-01) regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated 19 November B.E. 2546 (“Notification of SET BorJor/Por 22-01”)

SCG Packaging Public Company Limited (“Company”) operates in accordance with applicable laws and good corporate governance guidelines for listed companies of the Stock Exchange of Thailand (“SET”) and the Office of Securities Exchange Commission (“SEC Office”). Therefore, it establishes the Connected Transaction Policy (“Policy”) to strictly comply with the Securities and Exchange Act B.E. 2535 and its amendments (“Securities Act”), Notification of the Capital Market Supervisory Board No. TorChor. 21 / 2551 regarding Rules on Connected Transactions dated 31 August B.E. 2551 (“Notification of the Capital Market Supervisory Board No. TorJor. 21/2551”) and Notification of the Board of Governors of the Stock Exchange of Thailand (BorJor/Por 22-01) regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated 19 November B.E. 2546 (“Notification of SET BorJor/Por 22-01”)

### **1. Definitions**

“Connected transaction” means any transaction between a listed company or a subsidiary company and the listed company’s connected persons, or any transaction between a subsidiary company and its connected persons.<sup>1</sup>

“Decision to enter into a transaction” means an entering into or a decision to enter into any contract or agreement, whether direct or indirect, in order to cause an acquisition or disposition of assets and/or rights to acquire or dispose of assets, leasing or renting asset, an offer or a receipt of service, and offer or a receipt of financial assistance and an issuance of new securities, including to create rights or waiver of such right to do the same.

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<sup>1</sup> According to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551, it shall not apply to any transactions between the subsidiary and the connected person of the subsidiary.

"Connected person" includes the following persons:

- (1) The director of the juristic person having control over the listed company<sup>2</sup>;
- (2) The spouse, minor child or adopted minor child of the director under (1);
- (3) The juristic person over which the person under (1) or (2) has control;
- (4) The person who acts with understanding or agreement that if the listed company enters into any transaction which provides financial benefits for such person, the following persons will also gain financial benefits from such particular transactions:
  - (a) the director and executive of the listed company
  - (b) the person having control over the listed company;
  - (c) the director of the juristic person having control over the listed company;
  - (d) the spouse, minor child or adopted minor child of the person under (a), (b) or (c).
- (5) The connected person under the Notification of SET BorJor/Por 22-01 which includes:
  - (a) the executive, major shareholders<sup>3</sup>, controlling persons or persons to be nominated as the executive or controlling persons of a listed company or a subsidiary company including related persons and close relatives of such persons;
  - (b) any juristic person having a major shareholder or a controlling person as the following persons of a listed company:
    - 1) The executive
    - 2) Major shareholder
    - 3) Controlling person
    - 4) Person to be nominated as the executive or a controlling person
    - 5) Related person and close relatives of person from 1) to 4);
  - (c) any person whose behavior can be indicated as an acting person or under a major influence of persons from (a) to (b) when making decision, determining policy, handling management or significant operation.

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<sup>2</sup> According to Section 89/1 of the Securities Act, "control" means:

- (1) holding of shares with voting right of a juristic person in an amount exceeding 50 percent of the total number of the voting rights of such juristic person;
- (2) having control of the majority voting rights in the general meeting of shareholders of any juristic person, whether directly or indirectly or by any other reasons;
- (3) having control over appointment or removal of at least half of all directors, whether directly or indirectly.

<sup>3</sup> "Major shareholder" means a shareholder who directly or indirectly holds shares in any juristic person in a total amount exceeding 10 percent of the paid-up capital of that juristic person. Such shareholding shall also include the shares held by related persons.

## **2. Characteristics of connected transactions**

Connected transactions can be characterized into 2 groups as follows:

- (1) a listed company or a subsidiary enters into a transaction with the executive, major shareholder or related persons or close relatives of the management or major shareholder; of the listed company;
- (2) a listed company or a subsidiary enters into a transaction with any juristic person having a major shareholder or a controlling person as the executive, major shareholder, controlling person, or a person to be nominated as the executive or a controlling person of the Company or its subsidiaries including related persons or close relatives of such persons.

However, a connected transactions does not include any transaction made between a subsidiary and a connected person of the subsidiary.

## **3. Types of connected transactions**

Connected transactions can be divided into 6 categories as follows:

- (1) Normal business transaction;
- (2) Supporting normal business transaction;
- (3) Transaction regarding rental or lease of immovable property of not exceeding 3 years;
- (4) Transaction relating to assets or service;
- (5) Transaction regarding offer or receipt of financial assistance;
- (6) Other connected transactions other than transaction in (1)-(5).

## **4. Rules and procedures regarding connected transaction**

The Company sets up the rules and procedures regarding connected transactions in accordance with the rules on connected transactions as follows:

- (1) Considering conducting a connected transaction, the Company will exercise similar terms of price and commercial conditions as the Company made with general contract party provided that such terms and conditions are fair, reasonable and most beneficial to the Company.
- (2) If a product or service has a standard price or there are several buyers and sellers in the market, the Company must seek for information regarding qualifications, prices and standards in the market for comparison with the connected transaction.
- (3) If a product or service has specific qualifications or made to specific order which made it not capable to compare the price of product or service, the Company must prove that the initial profit margin the Company receives from the connected transaction is indifferent from the transactions made with other traders and having indifferent terms and conditions.

- (4) The Company may refer to a report made by an independent assessment expert whose name is in the list of SEC Office which the Company or the company in its group has appointed to provide the price comparison for significant connected transaction in order to assure that the price is reasonable and brings highest benefit to the Company.
- (5) A director, an executive or a related person may enter into any transaction with the Company or its subsidiaries only after obtaining approval from the general meeting of shareholders unless such transaction having the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person, as the case may be, provided further that the said commercial terms have been approved by the board of directors or in compliance with the principle approved by the board of directors or the size of the transaction does not require an approval from the general meeting of shareholders.
- (6) If the Company is going to conduct a related transaction or other connected transaction under this policy, the Company must strictly perform under the rules provided herein.
- (7) The Company must disclose information in relation to entering into a transaction having conflict of interest, connected transaction or related transaction according to the rules prescribed by SEC Office and SET in the annual registration statements and annual report or other reports as the case may be and disclose information on a connected transaction to SET according to the rules prescribed by SET as well as a related transaction with the Company according to the accounting standard. The Company must audit the connected transactions according to its audit plan and the Internal Audit Office must report to the Audit Committee, have control measure, audit, and random check for the actual transactions if they comply with the contract, policy and required conditions.

## 5. Approval of a connected transaction

The Company specifies approval authority for connected transactions as follows:

- (1) In case the value of a connected transaction is small, medium or large and its commercial terms are considered normal as approved by the board of directors of the Company, the management is authorized to be the approver.
- (2) In case the value of a connected transaction is small or medium, but its commercial terms are not considered normal, the board of directors of the Company will be the approver.
- (3) In case the value of a connected transaction is large, but its commercial terms are not considered normal, the general meeting of shareholders will be the approver.

The criteria to consider the size of a connected transaction is as follows:

- (a) Small size means the transaction value is less than or equal to 1 million Baht or less than or equal to 0.03 percent of net tangible asset value, whichever is higher.
- (b) Medium size means the transaction value is more than 1 million Baht but less than 20 million Baht or more than 0.03 percent but less than 3 percent of net tangible asset value, whichever is higher.
- (c) Large size means the transaction value is more than or equal to 20 million Baht or more than 3 percent of net tangible asset value, whichever is higher.

## 6. Criteria to consider normal commercial transaction

- (1) The transaction is normal business transaction.

Any transaction that the Company or its subsidiary has made for its normal business with regular process made with other counterparties and is reasonable to support normal business of the Company or its subsidiary and for the highest benefit of the Company which have commercial terms indifferent from those made with general counterparties or third parties.

- (2) Prices and conditions of the transaction are fair.

Price of goods and services must have clear standard and the transaction has indifferent on prices, conditions or other terms when compared with transactions made with other counterparties (who are not directors, executives or related parties).

## 7. Considering the price under general commercial conditions (as regulated by SET)

The transaction under general commercial conditions means the commercial condition having fair price and condition without transfer of benefits as follows:

- (1) Price and conditions which are similar to those the Company or its subsidiaries receive or offer to any third party;
- (2) Price and conditions which are similar to those connected persons offer to any third party;
- (3) Price and conditions which the Company can prove that business operators in similar nature offer to any third party.

## 8. Procedure for presenting a connected transaction to the Audit Committee

- (1) Connected transaction under management's approval

In case of connected transaction under management approval, the management will consider and approve. Concerned persons such as Accounting Division or concerned

executives will have duty and accountability in considering and conducting the transaction according to the approval process and delegation of authority of the Company. After approval, the management must report the Audit Committee quarterly for its acknowledgment of the transactions having value more than 0.3 percent of net tangible asset value and disclose in the annual registration statements and the annual report of the Company. Moreover, the executives and persons having interests in the connected transaction must not attend the meeting that considers this agenda and have no right to vote in the meeting.

(2) Connected transaction under board's approval

In case the size of a connected transaction is small or medium, but its commercial terms are not considered normal which requires board's approval, the proposing division will present details, necessity and reasonableness of the transaction so that the Audit Committee can give opinion to the board of directors for approval through the following process:

- (a) The proposing division summarizes details of the connected transaction and prepare all relevant information and propose to the Chief Executive Officer;
- (b) The Chief Executive Officer assigns the Internal Audit Office to coordinate with relevant divisions to prepare for the meeting documents with material summary for the Audit Committee to consider;
- (c) When the Audit Committee agrees with the proposal, the Company Secretary will further propose to the meeting of the board of directors for approval of the connected transaction. In this regard, the Company Secretary will arrange that the directors having interests in the connected transaction do not attend the meeting on this agenda and have no right to vote in the meeting.
- (d) The Company discloses the connected transaction in the annual registration statements and the annual report of the Company as well as the resolutions of the board of directors to SET providing minimum information as required by SET.

(3) Connected transaction under shareholders' approval

In case a connected transaction requires shareholders' approval, the proposing division will present details, necessity and reasonableness of the transaction so that the Audit Committee can give opinion to the board of directors and further propose to the general meeting of shareholders for approval through the following process:

- (a) The proposing division summarizes details of the connected transaction and prepare all relevant information and propose to the Chief Executive Officer;

- (b) The Chief Executive Officer assigns the Internal Audit Office to coordinate with relevant divisions to prepare for the meeting documents with material summary for the Audit Committee to consider;
- (c) When the Audit Committee agrees with the proposal, the Company Secretary will further propose to the meeting of the board of directors to consider and agree with the entering into the connected transaction. In this regard, the Company Secretary will arrange that the directors having interests in the connected transaction do not attend the meeting on this agenda and have no right to vote in the meeting.
- (d) When the board of directors agrees with the proposal, the Company Secretary will prepare documents to propose to the general meeting of shareholders to consider and approve the connected transaction. The documents include information sufficient for the shareholders to make decision as prescribed in the regulations concerning connected transaction and must specify names and number of shares held by connected persons having no voting right on this agenda. In this regard, the Company is responsible to call for the general meeting of shareholders according to the method, procedure and rules as prescribed in the regulations concerning connected transaction.

## **2.2.6 Prevention of Conflicts of Interest Policy**

(Resolution of the meeting of the Board of Directors no. 231 (7/2021) on October 26, 2021, effective from October 26, 2021)

SCG Packaging Public Company Limited (“Company”) pays attention to doing business fairly, transparently, and auditable, therefore, the Company deems it important to consider transactions that may lead to conflicts of interest, connected transactions, or related transactions. The Company provides guidelines, restrictions and considerations for the Directors, executives and employees of the Company to understand procedures according to the Prevention of Conflicts of Interest Policy.

Terms used in this policy shall mean the same as those stipulated in the Public Limited Company Act B.E. 2535 (and its amendments) (“PLC Act”), Securities and Exchange Act B.E. 2535 (and its amendments) and the regulations, notifications and orders of the Office of the Securities and Exchange Commission (“Office of SEC”) and the Stock Exchange of Thailand (“SET”) (all together to be called “Securities Laws”).

In addition that the shareholder structure shall be clear, transparent and shall not have cross-holding among major shareholders, thereby preventing any conflict of interests with any party, and disclosing the shareholder structure of the Company and its subsidiaries shall be published in the Annual Report, the Directors, executives as well as employees of the Company must comply with the rules and regulations as follows:

1. Directors and top executives must file a report stating their own and their related persons' interests in the management of the Company or its subsidiaries to the Company Secretary. The Company Secretary shall deliver a copy of such a report to the Chairman of the Board and the Chairman of the Audit Committee within seven days upon the receipt of the report so as to immediately notify them of any relation and transaction with the Company and its subsidiaries, which may lead to conflicts of interest, beforehand. In addition, the Company has assigned the Company Secretary to conducting an annual interest survey of Directors, top executives and/or their related persons, and related employees, at the end of each year. The aforementioned survey shall also be proposed for the Audit Committee and the Board of Directors' acknowledgement at least once a year.

2. Directors, executives and employees of the Company must refrain from doing any transaction related to oneself and/or related persons, which may lead to conflicts of interest with the Company and its subsidiaries, must avoid any action which leads to conflicts of interest with the Company or its subsidiaries or aims for benefits of their own and/or related persons, and must strictly comply with the Company's Code of Conduct.

3. In case any director has a vested interest or conflict of interest, both directly and indirectly, in any agenda item under consideration, such a director must not attend the meeting and must abstain from voting and sharing opinions on such an agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.

4. The following acts giving the Directors, executives or related persons more financial benefits than a normal course of business or incurring damage to the Company or its subsidiaries are deemed to have significant conflicts of interest with the Company and its subsidiaries:

- (a) The transactions between the Company or its subsidiaries and the Directors, executives or related persons made outside of the rules on connected transactions;
- (b) The use of information of the Company or its subsidiaries unless it has been already disclosed publicly;
- (c) The use of assets or business opportunities of the Company or its subsidiaries contravening to the rules or regulations prescribed by the Capital Market Supervisory Board.

5. The Management shall submit quarterly reports to the Audit Committee and the Board of Directors of the Company for their acknowledgement and giving opinion in regard to the normal business transactions made with general trading conditions as a reasonable person would agree with any unrelated party under similar circumstance on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person as approved in principle by the Board of Directors of the Company.

6. The Audit Committee shall consider and give opinion in regard to the necessity and appropriateness of price before the Company's entering into the connected transactions not categorized as normal business transactions and the Company shall comply with applicable rules concerning connected transactions under the Securities Laws and the connected transaction policy of the Company.

7. The Board of Directors must oversee that the Company and its subsidiaries comply with Securities Laws and other applicable laws as well as disclose information according to rules and regulations prescribed by SET and other relevant agencies.

8. The Management must establish a clear system to assure that subsidiaries of the Company have sufficient system for disclosing material transactions consistently and trustworthy and provide channels that the Board of Directors and executives of the Company could receive information of the subsidiaries efficiently regarding their operating and financial performances, connected transactions made with the directors and executives, and material transactions. Moreover, the Management must set up a mechanism for auditing such system in the subsidiaries that independent directors, audit committee members and internal auditors could directly access said information and report the audit results to the directors, audit committee members and executives for their acknowledgement in order to assure that the subsidiaries have implemented the established system consistently.

9. The Directors, executives as well as employees of the Company should avoid holding shares, positions as the directors, executives, or advisors in other companies doing business having similar nature of the Company or its subsidiaries or the business competing commercially with the Company or its subsidiaries. Holding shares and positions as the directors, executives, or advisors in other companies could be done in the event that such holding shares and positions have neither conflicts of interest with the Company nor their duties in the Company or its subsidiaries and complies with rules prescribed in the Securities Laws.

## **2.2.7 Antitrust Policy**

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

SCG Packaging realizes the importance of conducting business with fairness under the legal framework while taking into consideration trade ethics, benefits of both customers and trade partners, as well as fair competition under the Trade Competition Act. The Board of Directors, by the resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, has thus resolved to issue this Antitrust Policy, which employees of SCG Packaging are required to study and strictly comply with.

### **Antitrust Policy**

1. SCG Packaging shall always engage its business to adhere to fairness and ethics, respect rules and regulations, and strictly comply with antitrust laws. SCG Packaging shall not engage or involve in any practice that may result in unfair competition, distortion of market mechanism or free trade, or undermining or causing damages, obstruction, or restriction to business operations of others.
2. In case SCG Packaging has a dominant position in the market according to the law, SCG Packaging shall not unfairly or unreasonably abuse such market dominance which may distort market mechanism.
3. SCG Packaging shall not directly or indirectly engage in any practice that may cease competition with its competitors, including not to exchange business information or enter into agreements with its competitors, trade partners, or customers in order to reduce or limit competition in the market.
4. All units involved, both domestic and overseas, shall be required to study and comply with applicable antitrust laws, regulations and policies, including trade practices of the countries where SCG Packaging has business operations, including regulations on merger control.
5. Employees of SCG Packaging shall be aware at all times that compliance with antitrust laws is of paramount importance and shall exercise utmost caution in carrying out operations to ensure that SCG Packaging respects antitrust laws and trade ethics. SCG Packaging shall inform its trade partners of the significance of compliance with antitrust laws.
6. All units involved in transactions and investment activities shall establish control and audit system to ensure full compliance with antitrust laws.
7. To ensure compliance with this Antitrust Policy, SCG Packaging's Code of Conduct and Corporate Governance Handbook shall also be applied to the operations.
8. Non-compliance with this Antitrust Policy is considered a violation of SCG Packaging's Code of Conduct.

## **Trade Competition Guidance**

This guidance is made to provide information, instruction and appropriate practice to ensure that employees of SCG Packaging will have knowledge and understanding of principles, reasons and practices considered risky to be wrongful act. This guidance covers the following scope:

1. Any business operation, trade and investment of the Company and its subsidiaries included in the consolidated financial statements (collectively called "SCG Packaging");
2. Directors and employees of SCG Packaging including permanent employees under employment contracts, probationers and employees having special employment contracts with SCG Packaging in the countries where SCG Packaging has business operations;
3. Any legal action, contract, or any action between SCG Packaging and others no matter it is finance, business or asset involvement such as service, procurement, sale, engagement, financial support, technical or personnel support, etc. (collectively called "transaction") made with other business operators such as suppliers of good or raw material, customers, purchasers who purchase products from the Company to re-sale or self-use, service provider or taker (collectively called "supplier") and business operator of the same nature of goods or services or those which are substitutional (collectively called "competitor").

If there may be any doubt regarding practices under the trade competition guidance, please consult your supervisor or legal adviser.

This guidance is divided into 3 main aspects as follows:

- 1) Business operator with a dominant position of market power and unfair trade;
- 2) Trade practice;
- 3) Joint agreement practice resulting in monopoly.

Details are as follows:

## 1. Business operator with a dominant position of market power and unfair trade

### 1.1 Business operator with a dominant position of market power

The first main principle of Trade Competition Act is to control practices of the business operator with a dominant position of market power which generally means a business operator having high market share and sales revenue in any good because the practice of the business operator with a dominant position of market power will materially affect competition in the market in terms of competition system, competitors, suppliers and consumers. According to the Trade Competition Act B.E. 2560, only having dominant position in the market is not wrong but it is wrong if the business operator with a dominant position of market power has abused its market power either by exploitative abuse or exclusionary abuse.

Definition of “business operator with a dominant position of market power” according to Trade Competition Act B.E. 2560

*“Business operator with a dominant position of market power” means:*

- (1) *a business operator, in any good or service, having a market share of 50 percent or more and sales revenue of 1,000 million Baht or more in the previous year; or*
- (2) *the top three business operators, in any good or service, having a combined market share of 75 percent or more and individually having sales revenue of 1,000 million Baht or more in the previous year.*

In determining the market share and sales revenue of a business operator, the market share and sales revenue of all companies in the same group shall be combined because they are considered as having the “relationship in policy or commanding power” and they are perceived as the single business entity without competition among themselves. Therefore, if a company in SCG Packaging may have its market share lower than the threshold to be qualified as a business operator with a dominant position of market power such as having less than 50 percent of market share in packaging paper market but if the combined market share in packaging paper market of such company and the other companies in SCG Packaging reaches 50 percent or more, it is considered that those companies of SCG Packaging, as the single business entity, are the business operators with a dominant position of market power in packaging paper.

Definition of “relationship in policy or commanding power” according to Trade Competition Act B.E. 2560:

*“Relationship in policy or commanding power” means a relationship between 2 or more business operators having direction, policy or management under the commanding power of the same business operator.*

*“Commanding power” means controlling power caused by any of the following:*

- (1) *holding more than 50 percent of all voting rights of a business operator;*
- (2) *having control over majority of votes at the general meeting of shareholders, either directly or indirectly, of a business operator;*
- (3) *having the power to appoint or remove at least half of the directors, either directly or indirectly, of a business operator;*
- (4) *having commanding power according to (1) or (2) and carrying on every series starting the first of series from a business operator.*

In determining a business operator with a dominant position of market power, the market share and sales revenue of such business operator will be firstly considered on scope of relevant market by including substitutional goods or services in calculation of the market share and sales revenue. Goods or services which are substitutional are perceived in principle that they are in relevant market. Substitution will be considered in several relevant aspects including specifications, prices, purposes of use, sale channels, group of customers, consumers' point of view, etc.

However, in some cases a business operator may not be considered as having dominant position of market power although its market share or sales revenue meets the threshold prescribed by law because the Trade Competition Act allows to bring factors regarding competition of good or service markets into consideration including numbers of business operators in the market or entering into the market of new business operators, market expansion or capacity expansion of business operators in said market, etc.

## 1.2 Unfair trade

In addition to controlling the practices of business operators with dominant position of market power, the Trade Competition Act disallows any business operators to do **unfair trade** practices no matter said business operator has dominant position of market power or not.

However, practices of the business operator with dominant position of market power will be observed and risky to be against the Trade Competition Act easier because the law is desirous of controlling practices of major business operators more strictly than minor business operators.

**Unfair trade practices** may be in the forms of trade barrier, intervening, direct or indirect, other business operators, creating restrictions of doing business of other business operators, which incurs damage to other business operators and disadvantage or non-competition in the market.

The Trade Competition Act defines in principle that practices that may be subject to illegal either by a business operator with dominant position of market power or unfair trade shall be those conducted without justifiable reason or imposing unfair condition. Trade practices reasonably conducted with necessity underlying common practices or trade traditions may be considered not to be against the Trade Competition Act such as franchise business that a franchisor requires its franchisee to purchase raw materials from said franchisor or its assignee in order to maintain the standards of goods or services or quality control, etc.

## **2. Trade practice**

Practices of a business operator with dominant position of market power or unfair trade practices are variety and may have different purposes. In general, they can be divided into 2 groups namely (1) price behavior and (2) non-price behavior. Details are as follows:

### **2.1 Price Behavior**

Unfairly fixing or maintaining the level of purchasing or selling price of a good or service by way of the following relevant practices:

#### **2.1.1 Unfairly fixing low purchasing price**

means fixing the purchasing price of a good such as raw material at a low and unfair price by fixing or reducing purchasing price to be lower than the market price at normal competition or the historical purchasing price which causes damage to the supplier of said good or raw material and may cause damage to other competitors who purchase such raw material at a higher price due to higher cost and non-competitiveness and eventually exit the market. This practice is frequently conducted when there are few suppliers of such good or service, the purchaser is hence powerful to force the price to be lower than the market price or the price ever purchased unreasonably.

#### **2.1.2 Unfairly fixing high purchasing price**

means fixing the unfair purchasing price of a good or raw material by fixing or increasing purchasing price to be higher than the market price at normal competition or the historical purchasing price or the competitors' purchasing price in normal competition market which causes the competitors fail to purchase said good or raw material or their cost is highly increasing and cannot compete or causes difficulty for new comers to the market.

However, the purchasing price may be higher in case of shortage of goods due to rapidly increasing demand.

#### **2.1.3 Unfairly fixing selling price below cost**

Sale below cost means fixing or reducing the selling price to be lower than average total cost which comprises of fixed cost and variable cost provided that said business operator who conduct sale below cost can carry the burden of loss for a while or can be contributed by profits of other goods and resulting in non-competitiveness of other business operators or barrier to new business operators due to worthless investment.

In case of sale promotion for new to market products, sale below cost might not a wrong-doing practice provided that such sale below cost is conducted not for a long period depending upon type and category of the goods or services which normally is no longer than 1 month except for the goods requiring fast selling to mitigate loss such as fresh goods, nearly expired goods, out-of-fashion goods, etc.

#### **2.1.4 Unfairly fixing high selling price**

means fixing high selling price or highly increasing the selling price unfairly compared with cost of production and sale without reasons from higher cost or higher increasing selling price over increasing cost which is the price at a level higher than market price at normal competition in order to gain undue profit margin or higher than possible profit margin at normal trade of each business or higher than the profit margin ever received which may cause damage to consumers or other relevant business operators.

In case of shortage of good due to rapidly increasing demand and inability to increasing production to meet with increasing demand, the selling price could be increased only during said period of shortage.

#### **2.1.5 Predatory pricing**

means fixing the selling price to be lower than average variable cost which is the cost of purchasing raw material for producing the good or the cost of purchasing good for re-sale, exclusive of sale and administrative expenses and other expenses which the business operator conducting this practice could bear loss for a period of time or could be contributed by profits of other goods resulting in non-competitiveness of other business operators and their exit from market. Once the competitors have been eliminated, the business operator can then raise the price to recoup its losses which cause damage to other business operators and consumers. However, this does not include the case of sale promotion of goods or services for interest of customers, provided that the period should not longer than 1 month and excluding releasing fresh goods, nearly expired goods, out-of-fashion goods, and going out of business operator.

#### **2.1.6 Price discrimination**

Discrimination by selling different prices for different suppliers, in principle, will cause advantage or disadvantage between suppliers and use discrimination power unfairly. However, if facts are different such as suppliers are in different industries and at different levels in the different markets, goods have different qualities or quantities or cost of sale to each supplier is highly different, the business operator can sell at different prices which is not considered as price discrimination.

Discrimination is also applied to non-price conditions such as offering commercial discount, trade terms, credit term, payment method, product delivery method differently to suppliers having same status or qualifications. For example, a business operator offers fidelity rebate by offering different discount to each distributor although they are in the same status (both distributors being large, ordering large amount of goods, trading for a long period and distributing goods in similar area). This practice could be considered as discrimination.

#### **2.1.7 Resale price maintenance**

Forcing other business operators to sell goods or services at the determined prices causing non-price competition of distributors or retailers is illegal under Trade Competition Act. However, suggested or recommended prices for resale distributors as guidance or recommendation of resale price without compulsory condition is not illegal.

### **2.2 Non-Price Behavior**

Besides price behavior, other type of practices irrelevant to prices of goods or services could be illegal if it is unfair to other business operators.

Non-price unfair trade practices are as follows:

#### **2.2.1 Exclusive Dealing**

To limit specific right as exclusive dealing, directly or indirectly, for other business operators to agree with unfair conditions without any benefits to the effectiveness or quality of the good or service including after sale services in order to gain monopoly power in the market of such good or service or obstruct other persons to enter into an agreement with a supplier of the business operator. Examples include the conditions that the business operator prohibits its re-sale distributors from purchasing the good from other business operators or the business operator prohibits its suppliers from selling raw material to the competitors of the business operator and the distributors and suppliers who violate such conditions will be punished such as not being sold the good or delay the delivery of good or no longer purchase the raw material.

#### **2.2.2 Tying Arrangement**

To set compulsory conditions, directly or indirectly, to force other business operators or customers to purchase another accompanying good without other choices although said accompanying goods could be sold separately or tying

arrangement is not much beneficial but resulting in non-tradable or non-competition of other producers of such accompanying good and lead to monopoly. However, tying arrangement for the purpose of using the main good efficiently or guaranteeing the quality of good or preventing damage or loss of efficiency of good such as selling copy machine with ink powder, where inefficient ink powder may breakdown the copy machine, is not deemed illegal. Moreover, sale promotion where other business operators or customers could buy both good and accompanying good at cheaper price than buying them separately (and other business operators or customers still have their own rights to choose purchasing the goods) is not deemed illegal.

#### **2.2.3 Territories division**

To limit the territories or areas of sale (Territories Division), directly or indirectly, for other business operators to agree and comply unfairly in order to limit sale areas or define specific group of customers in each area to divide sale areas without any effect to efficiency or quality of goods or services is illegal. For example, a company allows its distributor to sell goods only in the Amphur Muang, Chiang Mai and does not allow this distributor to sell goods outside Amphur Muang, Chiang Mai, provided that if the distributor does not comply with the Territories Division, it will be punished such as not selling goods or reducing delivery of good below its normal quantity.

#### **2.2.4 Refusal to supply**

To refuse having transaction with any business operator is deemed normal in business practice if reasonable such as non-justifiable investment, transportation restriction, untrusted profile of purchaser, undue payment history, shortage of goods. However, refusal to supply unreasonably such as refusal having transaction with suppliers or customers of its competitors may be considered as doing it to obstruct other business operators.

#### **2.2.5 Purchasing and sale quantity forcing**

means forcing the trading partners who purchase goods or receive services from the business operator to purchase goods or services only at the quantity fixed by the business operator or forcing the trading partners to sell goods or services to its customers only at the quantity fixed by the business operator. The fixed quantity could be set in fixed amount, maximum or minimum amount or step amount. However, fixing the minimum quantity may not be illegal if supported by justifiable reason such as to meet break-even cost of operation.

#### **2.2.6 Limit of seeking credits from other business operators**

means imposing any trading partner to seek credits only from a determined business operator or prohibiting any trading partner to seek credits from a determined business operator provided that said imposition and prohibition are not specified in writing and notified in advance in a reasonable time. Violation will be subject to punishment such as not selling the goods or not offering a discount as usually did. Limit of seeking credits from a determined business operator could be acceptable if supported by business reasons such as it is under bankruptcy filing. However, recommending, not forcing, any creditors to a trading partner and the trading partner is free to choose its creditors is not a wrongful act.

#### **2.2.7 Limit the quantity of goods or services**

Limit the quantity of goods or services includes suspending, reducing or limiting service provision, production, buying, sale, delivery or importation into the Kingdom (such as reducing production, destroying goods in inventory, or any act to discourage importation).

Limit the quantity of goods or services which is illegal must be conducted for the purpose of reducing the quantity of goods or services to be lower than demand of the market and expecting the increasing of prices of goods or services which incurs damage to consumer without justifiable reasons. Said limitation may be associated with price behavior since limiting the quantity of goods or services would result in unfair price determination.

#### **2.2.8 Intervening in the business operation of others**

Intervening in the business operation of other business operators unfairly and without any normal business reason causes economic loss to other business operators such as loss of revenue, loss of market value of products or services or loss of opportunity in production of goods or services.

Examples of intervention in other business operators include:

- Intervening or persecuting any other business operator by any means for its hardship in conducting business such as specifying that the quality of the company's goods could not be jointly used with the competitor's goods without any reason related to efficiency.
- Specifying that the trade partners must get consent of business operation from the business operator.
- Controlling the appointment of officers of the trade partners.
- Forcing remuneration in any form from the trade partners or requesting for benefit allocation for exchanging with right to buy goods of the company such as commission, additional charge.

- Forcing the trade partners to refuse selling goods or not contact with other business operators without any normal business reason.
- Intervening an internal administration of the competitors by using voting rights, appointing management or other means in the business of competitors.

**2.2.9 Any trade action for having others' trade secret information or technology**

means any acts conducted for receiving trade secret information or technology of other business operators or information beneficial to production, sale or any transaction of the business operator without consent from the owner or the person having rights on said information and by any means with the purpose of destroying, obstructing, discouraging, limiting operation of other business operators or disturbing normal trade.

**2.2.10 Unfair trade practice related to using intellectual property rights**

Intellectual property rights include, for example, copyrights, patents, trademarks which are the rights protected by laws for the purpose to motivate investment, research and development of innovation in production of goods or services. However, if the owner of the intellectual property rights uses the rights for monopoly and restriction of competition in the market more than necessary and resulting in destroying, damaging, obstructing, discouraging or limiting business operation may be illegal and need to be considered case by case.

Examples of using intellectual property rights that are restricting competition more than necessary include:

- Executing a license agreement having a condition that the licensee must pay royalty fee longer than a period that such intellectual property is protected by laws (such as paying royalty fee although the patent is expired).
- Specifying any condition of granting the rights of use that discouraging others such as prohibiting of purchasing goods or receiving services from competitors without necessity or reasons related to efficiency or using the granted intellectual property.
- Specifying any condition of granting the rights of use that the licensee will be disadvantage more than common practice such as prohibiting the licensee to sue the licensor.
- Other agreements that use the intellectual property rights over the scope specified by laws.

### **3. Joint agreements resulting in monopoly**

Besides practices of a business operator with dominant position of market power and unfair trade practices, Trade Competition Act prohibits business operators to jointly consider or execute agreements resulting in monopoly or reduce competition in any market of goods or services (collusion), either directly or indirectly, between business operators or between a business operator and its trade partner and either in writing or not.

Effects from collusion include eliminating the competition between business operators and the price or quantity of a good or service is not derived from its cost of production or service and the demand of such good or service in the market but they are determined jointly by the business operators regarding their desirous level of price and quantity and the profit in return. Persons affected from collusion is the consumers who could not choose to purchase goods or services freely.

A business operator must avoid risky practices leading to or suspected leading to collusion such as contacting, discussing, or exchanging trade secret information with competitors or in the trade association such as selling price, marketing plan, production cost.

#### **3.1 Joint agreements between competing business operators**

means the joint agreements between 2 or more competing business operators in the same market which affect the market seriously and cause monopoly or restriction of competition in the market. The joint agreements may be made directly or indirectly by the following means:

##### **3.1.1 Bid-rigging**

Being the practice that the business operators jointly agree to determine the auction or bidding winner by an agreement not to participate in the auction or bidding or the business operator joining may propose the higher price to assist the determined business operator to win the auction.

##### **3.1.2 Price fixing**

Normally the business operator should be free to determine the price of its goods. The Trade Competition Act then prohibits the business operators to jointly determine the prices of goods or services. Such determined prices do not need be the same price. They could be determined in range. This also includes other kinds of agreements such as determining the value or ratio of increasing or decreasing the selling or purchasing prices, range of the selling or purchasing prices, minimum or maximum of the selling or purchasing prices, formulation for calculation of the selling or purchasing prices, discounts or rebate discounts, credit term, and structure or composition of selling or purchasing price (price method).

### **3.1.3 Quantity limitation**

Similar to the determination of prices, the business operators should normally be free to determine the quantity of goods to be sold in the market. The Trade Competition Act then prescribes that the joint determination of the business operators in fixing the quantity of production, purchasing, selling or rendering services or limiting the quantity is illegal such as setting quota or ratio of producing or selling goods in a period of time to be lower than the market demand.

### **3.1.4 Territory allocation**

The business operators agree to allocate the territory for selling goods or services in order that other business operator will not sell goods or services in the same territory and compete across the territory. The business operators may agree to allocate the territory to sell goods or services alternately. Territory allocation includes territory allocation for purchasing goods or services and territory allocation for purchasing goods or services alternately to build purchasing power in the market. It also includes the practice that the business operators jointly share or allocate their customers for selling or purchasing goods or services.

### **3.1.5 Other conditions which possess or control the market, distort market mechanism, joint control the market**

These include any practice that the business operators jointly conduct the marketing plan to possess the market, determine the licensed business operators and fix the list of good or services to be sold in the market.

### **3.1.6 Joint agreements to reduce the quality of goods or services to be lower than those ever produced or sold at the same price or higher**

These include the agreements to reduce the quality or standard of goods or services which may reduce cost of such goods or services but they could be sold at the same price or higher.

However, the above practices will be exempted from wrong-doing if the agreement is made between business operators having relationship in policy or commanding power.

## **3.2 Joint agreements between the business operator and its trade partners or competing business operators**

means Joint agreement between business operators which may be trade partners or competing business operators in any market (not required to be in the same market), which do not affect the market in a critical way, such as a joint agreement between manufacturers and retailers or distributors.

This kind of agreement between business operators and their trade partners or competing business operators is similar to the aforementioned joint agreements between competing business operators in terms that they will be an offense against the antitrust laws if the operators jointly conduct the plan to commit monopoly trading or limit the competitiveness in the market. The joint agreements between business operators and trade partners which may be considered offense against the antitrust laws are as follows:

**3.2.1 Joint agreements on purchasing or selling price fixing, quantity limitation or territory allocation**

The agreements could be made either directly or indirectly which affect the prices of goods or services. This is similar to the joint agreements between the competing business operators described in 2.1 but in this case the business operators do not compete in the same market.

**3.2.2 Joint agreements to reduce the quality of goods or services to be lower than those ever produced or sold at the same price or higher**

Reducing the quality of goods or services of each business operator may have different details.

**3.2.3 Joint appointment of a single person to be a distributor of goods or services in the same market**

The appointment could be made either in writing or other forms. The appointed person could be an ordinary person or juristic person whom appointed as a distributor of goods or services in the same kind of market.

**3.2.4 Agreement to jointly determine condition or trade method for each business operator to reduce or restrict the competition, either directly or indirectly.**

Moreover, it is caution that there may be notifications prescribing other kinds of joint agreements which will be deemed illegal under the Trade Competition Act. Therefore, it is recommended to keep update if there may be additional ministerial regulations.

However, joint agreements between a business operator and its trading partners could be exempted from wrong doing under the Trade Competition Act as determined case by case by the Office of the Trade Competition Commission who will consider factors and related environment because there may be reasons or business necessity aligning to normal business or trade practices.

Examples of joint agreements between a business operator and its trade partners which may not be considered as illegal include:

- (1) Activities among the business operators having relations in policy or commanding power as prescribed by laws.
- (2) Operations for development of goods or distribution to enhance technique or economy.
- (3) Business conduct as franchise, authorized dealer or license which the business operators must agree upon some conditions such as maintaining the required standard of goods or services, quality control of goods under the same standard of price, purchasing raw material from the required sources, etc.
- (4) Agreements or business models as prescribed in the ministerial regulations as advised by the commission.

Provided that the joint agreements in accordance with paragraph (1), (2) and (3) must not create any restriction more than necessary and should be reasonable and must not cause monopoly power or market restriction substantially, taking into consideration the impact to consumers in terms of prices, qualities, quantities or choices of use of such good or service.

## **2.2.8 Whistleblowing Policy**

(Resolution of the meeting of the Board of Directors no. 239 (7/2022) on October 25, 2022, effective from October 25, 2022)

SCG Packaging Public Company Limited (“Company”) realizes the importance of preventing corruption or misconduct of operation and contacting with persons having interests which may affect decision and business operation of the Company. Therefore, the Company establishes a mechanism for receiving whistleblowing and procedure in the event that whistleblowing regarding a breach of legal requirement, wrong doing of rules, regulations and code of conduct of the Company or suspected act of corruption including protection measures to bring fairness to whistleblower regarding corruption or non-compliance of laws, rules, regulations and code of conduct. The Meeting of the Board of Directors no. 211 (7/2019) resolved to approve the Whistleblowing Policy to implement clear guidance. The Meeting of the Board of Directors no. 239 (7/2022) has then reviewed the previously issued Whistleblower Policy to ensure that the Company has in place a policy that defines responsibilities, guidelines, and appropriate operational requirements to assure that efficient handling of whistleblowing regarding corruption and misconduct are in place.

### **1. Objectives**

- 1.1 The receiving of whistleblowing regarding corruption, misdeed and misconduct of applicable laws, regulations, articles of association, and code of conduct is processed appropriately, efficiently and complies with good corporate governance principle.
- 1.2 The Company’s personnel and any parties acting on behalf of the Company conduct the business lawfully, transparently, fairly and verifiably by following applicable laws, regulations, articles of association, and code of conduct, as well as good corporate governance guidance.
- 1.3 Any person willing to report the Company on misconduct of operation or suspicious of misconduct made by the Company’s personnel and any parties acting on behalf of the Company can do so via channels provided by the Company.
- 1.4 The informants or whistleblowers or persons assisting the Company honestly are appropriately and fairly protected and prevented from maltreatment caused by raising the whistleblowing.
- 1.5 The concerned persons are prevented from any risk and damage arising from breach of laws, code of conduct, or acts of the Company’s personnel and any parties acting on behalf of the Company.

### **2. Definitions**

- 2.1 “**Misconduct**” means any act of doing or not doing by the personnel or persons acting on behalf of the Company which breaches laws, articles of association, code of conduct, working rules, policy and regulations of the Company.
- 2.2 “**Personnel**” means director, executive and employee of the Company and its subsidiaries.

- 2.3 "Subsidiary" means a subsidiary company included in the consolidated financial statements of the Company.
- 2.4 "Whistleblower" means any person or the personnel who reports or raises any misconduct occurred in the Company.

### **3. Persons Having Rights to Raise Whistleblowing**

- 3.1 Any person or the personnel of the Company who witnesses misconduct.
- 3.2 Personnel of the Company who is maltreated, threatened or disciplinary punished such as reduced salary level, suspended, fired or discriminated by unfair act related to employment conditions caused by his or her raising of whistleblowing, providing information or going to provide information, assisting during investigation process or collecting information to persons receiving whistleblowing including legal prosecution, being witness, giving statements, or any cooperating to court or government agency.
- 3.3 If there is sufficient evidence that the whistleblower has raised the whistleblowing dishonestly, the Company considers it is necessary to protect the reputation of the respondent as follows:
  - 3.3.1 investigating and punishing pursuant to the Company's regulations if the whistleblower is the personnel of the Company;
  - 3.3.2 considering legal action if the whistleblower is an external party and damage occurs to the Company.

### **4. Scope of Whistleblowing**

- 4.1 The personnel or any person acting on behalf of the Company may be the respondent under this policy if he or she commits a misconduct.
- 4.2 However, the Company will not receive the following cases:
  - 4.2.1 a case that the general meeting of shareholders, board of directors, audit committee, management committee or Chief Executive Officer has already resolved according to its power of authorities;
  - 4.2.2 a case that has been processed in the court or already judged or ordered by the court;
  - 4.2.3 a case from non-personnel without genuine name and address of the whistleblower;
  - 4.2.4 a case without identified witness, clue, evidence or act of corruption or misconduct as sufficient to further investigate for more fact and finding;
  - 4.2.5 a case that the Human Resource Office of the Company or its subsidiaries or other authorized office has already received, considered or decided fairly and no additional material evidence is newly provided.

### **5. Channels for Filing Information or Raising Whistleblowing**

- 5.1 Employees can raise whistleblowing via the Whistleblowing System on the Company's intranet portal, which is accessible to every employee. Whistleblowers can direct their whistleblowing, with or without identifying their names, to any of the following:
  - Trusted supervisors
  - The Director of the Corporate Human Resources Office

- The Director of Internal Audit Office
- The Company Secretary
- The Secretary to the Board of Directors
- Any Director of the Company

The whistleblowing can also be submitted verbally or formally via letters or e-mails to any of the aforementioned parties.

- 5.2 For external parties, whistleblowing can be lodged on [www.scgpackaging.com](http://www.scgpackaging.com) under the Whistleblowing System. Whistleblowers are required to identify their names and can direct their whistleblowing to any of the following:

- Corporate Secretary Office
- Internal Audit Office
- An Independent Director
- Audit Committee

Whistleblowing can also be lodged in the form of a formal document submitted to any of the aforementioned parties.

## **6. Whistleblower Protection**

- 6.1 Whistleblowers who are personnel of the Company may choose to hide their identities if they feel that they might be adversely affected. However, valid details or evidences must be provided to prove that the reported corruption or misconduct is not fraudulent. However, if the whistleblowers reveal their names, the Company will be able to notify them of progress and mitigate impact with greater ease and convenience.
- 6.2 The Company considers all relevant information confidential and will reveal only as necessary, taking into consideration the safety and possible consequences to the whistleblowers, information sources, or parties related to the Company.
- 6.3 If the whistleblowers feel that their safety is threatened or that they may be affected, they may request appropriate protection measures from the Company. The Company may prescribe protection measures without such a request if it appears that the whistleblower is likely to be affected or put in danger.
- 6.4 The Company takes a fair and suitable approach without retaliation, harassment, or discrimination when engaging with the whistleblowers who reports fraud, breaches of state laws or regulations, or non-compliance with the Company's Articles of Association and Code of Conduct, even in the event that they file a lawsuit, testify, give a testimony, or cooperate with a court of a government agency. Failure to comply with this approach is considered a breach of discipline and subject to disciplinary action as well as any applicable legal punishment.
- 6.5 Those affected will receive compensation through an appropriate and fair process.

## **7. Whistleblowing Investigation**

- 7.1 The whistleblowing recipient is to investigate and verify the validity or assign reliable persons or divisions to verify the validity. The preliminary investigation should reach a conclusion within 30-60 days, depending on its complicity. After the investigation is finalized, progress reports are also made to the whistleblowers within seven days if their identities are identified.
- 7.2 The whistleblowing recipient or the assigned person can invite any personnel to provide information or send any relevant documents for investigation.
- 7.3 If the investigation results that the misconduct is committed, the Company will proceed as follows:
  - 7.3.1 If the misconduct regards to breach of laws, rules, regulations, articles of associations, or code of conduct of the Company, the case is to be proposed with opinion and correct guidance to the Company's authorized person to consider. The case which is considered material such as having impact to reputation or financial performance of the Company, conflict with the business policy of the Company, or related to executives of the Company is to be proposed to the Audit Committee or the Board of Directors for their consideration.
  - 7.3.2 If the misconduct brings damage to any party, the Company is to propose appropriate and fair remedy measurement to sufferers.

## **8. Punishment**

- 8.1 If the accused person commits the misconduct, he or she is to be considered and punished according to disciplinary punishment of the Company and if said misconduct breaches the laws, he or she will be legally punished according to civil, criminal or other laws. Disciplinary punishment and/or decision of the Audit Committee or the Board of Directors are considered final.
- 8.2 The personnel who acts with other person unfairly, with inappropriate method or causing damage to such person as resulted from such person's whistleblowing or reporting information or providing clues regarding misconduct is considered breaking discipline and subject to punishment, provided that the punishment may include those prescribed by laws if said misconduct is breach of laws.

## **9. Communication**

- 9.1 The Company will communicate and disclose this Whistleblowing Policy and whistleblowing channels to the personnel through several media such as new personnel orientation, training, seminar, publishing in workplace and via electronics system of the Company, etc. to assure the understanding of the personnel and their strict compliance under this policy.
- 9.2 The Company will communicate and disclose this Whistleblowing Policy and whistleblowing channels to public, subsidiaries, affiliates and stakeholders through several channels such as the Company's website, annual reports, annual registration statements, and sustainability reports etc.

## **2.2.9 Policy on Investment in Subsidiaries and Associates**

(Resolution of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019, effective from August 21, 2019)

SCG Packaging Public Company Limited (“Company”) states its policy to invest in businesses supportive to its goals, vision and strategic plan as well as those related or similar to its business or creating synergy with current business of the Company. It aims to add more revenue channels and increase competitiveness which will bring long-term healthy and steady performances of the Company. Nevertheless, the Company may consider investing in other businesses having growth potential or capable to expand by using strengths of the Company in the areas such as technology, human resource, innovation that meets market demand, etc.

Considering an investment project, the Company will analyze its feasibility study, investment ratio, estimated financial return, possible risks, sensitivity to major factors, social and environmental impact (if any) as well as financial status of the Company. The Board of Directors or the general meeting of shareholders (as the case may be) is to consider and approve the investment as stated in the power of delegation of the Company.

## **2.2.10 Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Businesses**

(Resolution of the meeting of Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

To comply with the good governance principles regarding the implementation of scopes and mechanisms to govern the policies and operations of subsidiaries and other businesses in which the Company has substantial investments, that are suitable for each business, the Company's board of directors meeting no. 215 (11/2019) and no. 224 (8/2020) on November 25, 2019, and December 1, 2020, respectively, agrees to approve the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Businesses with the purpose of implementing direct and indirect scopes and mechanisms to govern the policies and operations of subsidiaries and affiliates, and measures to follow up on their operating results at an appropriate level to ensure the efficient management of the Company's benefits from investments, with details provided below. This will raise the confidence of the Company's shareholders.

In this Policy, a "subsidiary" and an "affiliate" means a subsidiary or an affiliate that operates a core business as prescribed in article 24, and the total size of business must be consistent with the provision in article 23 (2) of Notification of Capital Market Supervisory Board No. Tor Jor. 39/2559 re: Application for Approval and Granting of Approval for the Offering of Newly Issued Shares (and the amendments to it), in combination with article 2 (11) and article 2 (13) of Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551 re: the Determination of Definitions in Notifications Regarding the Issuance and Offering of Securities for Sale (and the amendments to it).

### **1. The appointment or nomination of directors and executives in a subsidiary or an affiliate**

1.1 The appointment of persons as directors and executives in a subsidiary or an affiliate to be in charge with the governance and management of the business of the subsidiary or affiliate is an important governance mechanism to ensure that the subsidiary efficiently complies with the policies, targets, vision, medium- term business plans, and growth strategies of the Company. Therefore, the Company should appoint persons as directors and executives in a subsidiary or an affiliate at least pro rata to its shareholding in that subsidiary or affiliate, unless the Company's board of directors agree that the structure of the board of directors and the management structure in which the persons are appointed as directors and executives in the subsidiary or affiliate at smaller proportion than its shareholding proportion in that subsidiary or affiliate will not affect its power to determine policies and take actions in material matters, or in matters that will have effects on the financial position or operating results of that subsidiary or affiliate, or that there are appropriate checks and balances in that subsidiary or affiliate.

1.2 The Company's board of directors will assign the Chief Executive Officer to consider the appointment and relocation of persons representing the Company as directors and executives in a subsidiary or an affiliate, and report to the board of directors in accordance with the Authority Manual. To be eligible for the appointment or nomination as a director or an executive in a subsidiary or an affiliate, a person must have the following qualifications:

- (a) the person must have all required qualifications, and must have no forbidden characteristics, as prescribed in relevant laws or provisions;
- (b) the person must have knowledge, ability, and experience beneficial for business operations and suitable for the performance of his or her duty;
- (c) the person must have leadership, and must be able to offer extensive viewpoints and ideas that are necessary to drive and fulfill the objectives of that subsidiary or affiliate; and
- (d) the person must make appropriate decisions, in accordance with the Company's corporate governance and ethics.

To appoint a person, in addition to the requirements above, the specific characteristics or other conditions of each subsidiary or affiliate must be taken into consideration, including:

- (a) its existence under complicated or high-risk principles or regulations, such as being a public limited company listed on domestic and foreign securities markets;
- (b) the Company's shareholding in the subsidiary, if there is a joint venture partner, as the terms and conditions of the joint venture agreement must be taken into consideration; and
- (c) statutory provisions of the country in which the subsidiary or affiliate is incorporated or operated.

1.3 Directors and executives appointed or nominated by the Company will have the following duties and responsibilities.

- (A) They must ensure that the subsidiary or the affiliate complies with relevant law, ordinances, rules and regulations; has good management; complies with the Company's governance principles, ethics, and anti-corruption policies, and other policies of the Company or that are consistent with the Company's policies.
- (B) They must provide guidelines on the determination of the direction of the subsidiary's strategies, policies, and business plans, which must be consistent with the Company's direction. They must also promote the use of innovations and technologies to improve the subsidiary's competitiveness.

- (C) They must report the subsidiary's operating results and disclose its information to the Company accurately, completely, and in a timely manner, as prescribed in this Policy.
  - (D) They must ensure efficient business operations by the subsidiary, and appropriately manage its investment returns.
- 1.4 Unless otherwise specified in this Policy, or unless otherwise determined by the Company's board of directors, the 1.4 Unless otherwise specified in this Policy, or unless otherwise determined by the Company's board of directors, the directors and executives appointed or nominated by the Company will consider and vote at board of directors meetings of the subsidiary or affiliate at their discretion in matters regarding the general management and normal course of business of the subsidiary or affiliate, as the directors and executives consider appropriate for the utmost benefits of the Company and the subsidiary or affiliate.
2. **Matters that need approval or agreement from the Company's board of directors or board of directors meetings before they take effect**
- Directors and executives of a subsidiary or affiliate that are appointed or nominated by the Company must ensure that before the subsidiary or affiliate enters a transaction or takes any action that is of significance, or that will affect the subsidiary or affiliate's financial position or operating results, as described in its Authority Manual or Articles of Association, the transaction or action must be agreed upon or approved by the Company's board of directors or board of directors meetings, as the case may be, before the subsidiary or affiliate holds its own board of directors meeting and/or shareholders meeting to consider and approve that matter.

Any transaction or action to be taken by subsidiary in the following cases must be approved by the Company's board of directors or at a shareholders meeting, as the case may be.

- 2.1 Matters that must be considered and approved by the Company's board of directors meeting are as listed out below.
- (1) An appointment or nomination of the subsidiary's directors and executives at least pro rata to the Company's shareholding in the subsidiary.

Unless otherwise specified in this Policy, the directors and executives so appointed or nominated shall have the discretion to vote at the subsidiary's board of directors meetings on matters regarding its general management and business operation as these directors and executives deem appropriate for utmost benefits of the Company and the subsidiary, except for matters in which these directors and executives have special interests.

Directors appointed under the previous paragraphs must be the persons whose names are included in the Whitelist and possess the qualifications, duties, roles, and responsibilities prescribed by relevant laws, including the characteristics of trustworthiness in accordance with the Notification of the Securities and Exchange Commission on the determination of untrustworthy characteristics of a company's directors and executives.

- (2) A capital increase by issuance of the subsidiary's newly issued shares, the allocation of shares or the reduction of the subsidiary's registered and/or paid-up capital that is not pro rata to the existing shareholding of the shareholders, or any other action that will result in more than 10 per cent decrease in the proportion of the Company's voting rights, direct or indirect, in any tier, of the total votes at the subsidiary's shareholders meeting, or in the subsidiary's paid-up capital, as the case may be, unless this is in the subsidiary's business plan or annual budget that has been approved by the board of directors of the Company.
- (3) The payment of the subsidiary's annual dividends and interim dividends (if any).
- (4) An amendment to the subsidiary's Articles of Association, except for amendments to the Articles of Association on significant matters in accordance with Article 2.2(1), which must be approved at the subsidiary's shareholders meeting.
- (5) Consideration and approval of the subsidiary's annual budget.
- (6) An appointment of the subsidiary's auditor, provided that the auditor is not registered under the audit firm that is a Full Member in the same network as the Company's auditor, which is inconsistent with the Company's auditor appointment policy that requires the subsidiary's auditor to be in the same network of the Company's auditor.

Items from (7) to (10) are deemed as significant transactions, and participation in any of them would significantly affect the subsidiary's financial position and operating results. Therefore, approval from the Company's board of directors is required. This is however provided that the size of a transaction to be entered into by the subsidiary, when compared to the size of the Company (the criteria prescribed in the Notifications of the Capital Market Supervisory Board and of the Board of Governors of the Stock Exchange of Thailand regarding the Acquisition or Disposition of Assets or Connected Transactions, or amended notifications, as the case may be, shall be applied mutatis mutandis), meets the threshold for consideration and approval from the Company's board of directors. These transactions are listed below.

- (7) The subsidiary's agreement to enter into a transaction with a connected person of the Company, or a transaction regarding the acquisition or disposition of the subsidiary's assets, including but not limited to the following:
  - (a) the transfer or waiver of rights and privileges, including the waiver of claims against any person causing damages to the subsidiary;
  - (b) the sale or transfer of the subsidiary's business, in whole or in material part, to another party that is not an affiliate of the Company;
  - (c) the subsidiary's purchase or acceptance of the transfer of the business of another company that is not an affiliate of the Company; or
  - (d) the entering into, or the amendment or termination of a lease agreement of the subsidiary's business, in whole or in material part, including the assignment of another party to manage the subsidiary's business; or the merger of the subsidiary's business with another party that is not an affiliate of the Company.
- (8) Borrowing money, lending money, giving credits, giving guarantees, taking a juristic act to bind itself to additional financial obligations, or providing any other financial assistance to another party in a significant amount which is not part of its normal business, except for the loans between the Company and the subsidiary, or between companies within the Company's group.
- (9) Dissolution of the subsidiary.
- (10) Other transactions that are not the subsidiary's normal business transactions, and that will significantly affect the Company.

2.2 Prior to the subsidiary entering into the following transactions, it must obtain an approval at the Company's shareholders meeting with at least three quarters of the total votes by shareholders present and having the right to vote.

- (1) An amendment to the subsidiary's Articles of Association with respect to matters that may significantly affect its financial position and operating results, including but not limited to an amendment to any of the Articles of Association that may affect the Company's right to nominate or appoint directors or executives of the subsidiary pro rata to the Company's shareholding in the subsidiary, to vote at the subsidiary's board of directors meeting and/or shareholders meeting, or to pay dividends.

For items from (2) to (5), only when the size of a transaction to be entered into by the subsidiary, when compared to the size of the Company (the criteria of transaction calculation prescribed in applicable notifications of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand shall be applied *mutatis mutandis*), meets the threshold for consideration and approval from the Company's shareholders meeting.

- (2) The subsidiary's agreement to enter into a transaction with a connected person of the Company, or a transaction relating to the acquisition or disposition of the subsidiary's assets.
- (3) A capital increase by issuance of the subsidiary's newly issued shares, the allocation of shares, or the reduction of the subsidiary's registered and/or paid-up capital that is not pro rata to the existing shareholding of the shareholders, or any other action that will result in a decrease in the proportion of the Company's shareholding and/or voting rights, direct or indirect, in any tier, of the total votes at the subsidiary's shareholders meeting, to a level lower than that prescribed in the laws applicable to the subsidiary, consequently depriving the Company's power to control the subsidiary.
- (4) Dissolution of the subsidiary.
- (5) Other transactions that are not the subsidiary's normal business transactions, and that will significantly affect the Company.

### 3. Disclosure of the subsidiary's information

- 3.1 The subsidiary must disclose complete and accurate information regarding its financial position, operating results, connected transactions, the acquisition or disposition of assets, and/or other significant transactions, to the Company in a timely manner, as prescribed by the Company. To consider entering a connected transaction, or the acquisition or disposition of the subsidiary's significant assets, relevant notifications of the Capital Market Supervisory Board and notifications of the Board of Governors of the Stock Exchange of Thailand will apply mutatis mutandis.
- 3.2 Directors and executives of the subsidiary must avoid transactions that may cause a significant conflict of interest with the subsidiary's interest. If such transaction occurs, they have the duty to inform the subsidiary's board of directors, and the Company's board of directors has the duty to inform the Company's board of directors within the period of time determined by the Company so as to support the consideration or approval in which general benefit of the subsidiary and the Company will be taken into consideration.

The directors of the subsidiary shall not take part in approving any matter in which they have interest or conflict of interest, directly and/or indirectly.

The following actions which result in the subsidiary's directors or related parties receiving financial benefits other than those they are normally entitled to, or cause damage to the subsidiary or the Company, shall be assumed actions significantly cause a conflict of interest with the Company's interest:

- (a) transactions made between the subsidiary and a director or related party which are not in accordance with the criteria of the notifications regarding connected transactions and/or relevant notifications as amended being enforced at the time;
  - (b) the use of the information of the Company or subsidiary that comes to knowledge, unless it has been disclosed to the public; or
  - (c) the use of the assets or business opportunities of the Company or subsidiary in the same manner as that of the Company, which violates the rules or general practices designated by the Capital Market Supervisory Board.
- 3.3 The subsidiary must report its business operation plans, business expansion plans, large investment projects that have been approved by the Company, and joint investment with other business operators, to the Company through its monthly performance report, and must give clarification and/or submit documents to support the consideration of those matters at the Company's request, except in the case that such operations are within power of authority or are not required to be approved by the Company by the subsidiary's Articles of Association or relevant laws.
- 3.4 The subsidiary must give clarification and/or information or documents relating to its operations to the Company if reasonably requested.
- 3.5 The subsidiary must give clarification and/or relevant information or documents to the Company, if Company detects any significant issue.
- 3.6 The directors and executives of the subsidiary must ensure that it has an internal control system, a risk management system and an anti-corruption system that is appropriate, efficient, and circumspect enough to assure that its operations will truly and continuously comply with the Company's policies and Articles of Association; law and notifications regarding the good governance of a listed company, including the relevant notifications, regulations, and rules of the Capital Market Supervisory Board, the Office of Securities and Exchange Commission, and the Stock Exchange of Thailand. They must also ensure that it has a clear work system that can prove that the subsidiary has sufficient information disclosure systems, and a channel for the Company's directors to efficiently follow up on the subsidiary's disclosure of its information regarding the financial position, operating results, connected transactions, the acquisition and disposition of assets, transactions that may cause conflicts of interest, and/ or other transactions significant to the subsidiary. In addition, the company must have mechanisms to examine these work systems by allowing the Company's internal auditors and directors to have direct access to data and reporting the results of the examination of these work systems to the Company's directors and executives to ensure that the subsidiary always complies with the arranged work systems.

**4. Use of the subsidiary's internal information**

No director, executive, officer, employee, worker of, or person designated by the subsidiary, as well as their spouses and minor children, is allowed to use the internal information of the Company or the subsidiary obtained through their performance of duty or otherwise that has or might have significant effects on Parent Company's securities price, for the benefits of themselves or others, directly or indirectly, regardless of whether any return is received.

**5. Transactions by a director, an executive, or a related party of the subsidiary**

The directors, executives, or related parties of the subsidiary can enter a transaction with it only after the transaction has been approved by the board of directors of the subsidiary and/or the Company, and/or the shareholders meeting of the subsidiary and/or the Company (as the case may be), based on the transaction size calculated (the criteria of transaction calculation as prescribed in the notifications of the Capital Market Supervisory Board, and the Notification of the Board of Governors of the Stock Exchange of Thailand relating to Connected Transactions and/or amended notifications being enforced at the time shall be applied mutatis mutandis), unless the transaction is a commercial agreement that a reasonable person would enter into with any contract party in general under the same situation, by the exercise of commercial bargaining power without influence from the position of director, executive or related person, as the case may be, and being approved by the Company's board of directors, or in accordance with the principles approved by the Company's board of directors.

## **2.2.11 Risk Management Policy**

(Resolutions of the meeting of the Board no. 239 (7/2022) on October 25, 2022, effective from October 25, 2022)

SCG Packaging Public Company Limited (“the Company”) gives priority to good corporate governance as it is important for driving growth of the organization and stability of the business as well as producing strong financial status and suitable returns to shareholders. Business competition faced by the Company currently has been changed endlessly no matter from external or internal factors which may affect capability to achieve goals and key missions of the Company and its subsidiaries. The Board of Directors of the Company therefore approves the Risk Management Policy to assure that the Company implements the enterprise risk management system effectively and efficiently.

### **1. Definitions**

“**Risks**” mean probabilities/ uncertain situations or factors causing failure to plan or current operation to achieve their goals/ expected targets and resulting in negative impact to SCG Packaging either financial impact or impact to reputation of SCG Packaging.

“**Risk management**” means the process conducted by the board of directors, executives and all personnel in SCG Packaging to assist strategy formulation and operation by designing the risk management process that could indicate possible situations and their impact to SCG Packaging and manage their risks to be within an acceptable level to reasonably assure that the goals set by SCG Packaging will be achieved.

### **2. Objectives of Risk Management**

- 2.1 Introduce risk management system at international standard and integrate it to organization-wide system as a part of decision-making on strategy formulation, business planning and operation of SCG Packaging.
- 2.2 Define measures and guidance of risk management to mitigate risks to remain at an acceptable level by considering effective measures to reduce possibility and/or impact from possible risks and contribute to the achievement of defined goals of the organization at both the Company’s and division’s levels.
- 2.3 Identify risk or unexpected crisis and mitigate loss or damage to SCG Packaging appropriately and timely.
- 2.4 Inform the Risk Management Committee and the Audit Committee the information on key risks, trends and overall risks as well as oversee the risks effectively and efficiently.

- 2.5 Delegate all units in the organization to define, evaluate, establish risk management operational plan and manage key risks consistently including when there is any case, activity, process and/or significant project or material change in SCG Packaging by considering risk appetite and practicability at appropriate cost.
- 2.6 Communicate and train on risk management to employees consistently. Improve their common understanding and focus as risk owners to manage the risks across multiple functions jointly.
- 2.7 Separate risk management functions from business units which are risk taking functions as to comply with good corporate governance principle and for check and balance. Moreover, to manage risks effectively, the Company establishes the Risk Management Committee assigned by the Audit Committee to monitor risk profile and manage risks appropriately and timely.

### **3. Risk Management Framework**

SCG Packaging establishes its enterprise risk management framework in alignment with international standards which includes the following contexts:

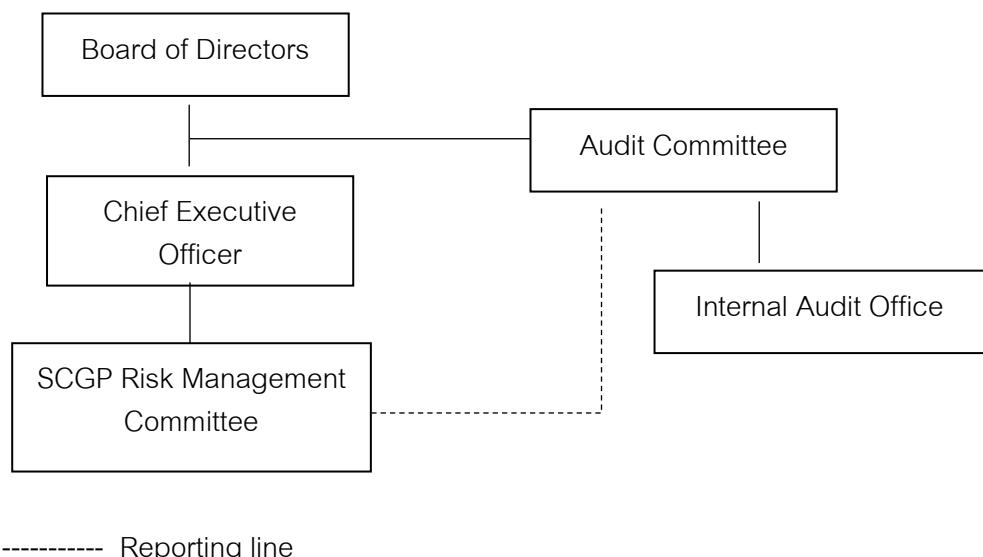
#### **3.1 Strategy Formulation**

SCG Packaging defines the objectives and risk appetite in managing risks clearly so that overall risk management is exercised on an enterprise-wide basis.

#### **3.2 Structure and Accountability in Risk Management**

The organizational structure of risk management of SCG Packaging is illustrated below:

Integrated Risk Management Organizational Structure



#### The Board of Directors and the Audit Committee

The Audit Committee, on behalf of the Board of Directors, establishes risk management policies and oversees the risk management process and practice of the Company. The Audit Committee also evaluates the risk management system to ensure efficiency, effectiveness, and compliance with established guidelines.

#### Internal Audit Office

The Company's Internal Audit is responsible for conducting an audit of the first line (operating units) and the second line (management level, risk management and compliance, and other supporting functions) to provide assurance on the efficiency and effectiveness of risk management. Internal Audit Office also reports the outcomes to the Audit Committee as well as provides consultation and communicates the Audit Committee's opinions and recommendations to the first line and functions that are being audited for improvement.

#### SCG Packaging's Risk Management Committee

SCG Packaging's Risk Management Committee consists of the Chief Executive Officer who serves as the Committee Chairman, the Chief Operational Officer of each business unit, the Chief Regional Officer and the Chief and the Chief Financial Officer. The Risk Management Committee has the following core responsibilities:

- (1) Determine risk management structure and assign accountabilities for risk management;
- (2) Consider and approve risk management strategies, framework, and plans;
- (3) Review the risk profile and track the risk management practices of the entire organization.

### **3.3 Risk Management Process**

SCG Packaging's risk management framework is applied in three primary areas: strategic risk management, investment project risk management, and operational risk management. The risk management process comprises as follows:

- (1) Risk/opportunity identification;
- (2) Risk assessment;
- (3) Risk response including defining the key risk indicators and key performance indicators, which are the leading and lagging indicators, in order to anticipate risk events and to manage risk levels to be in line with the targets.
- (4) Risk reporting to SCG Packaging's Risk Management Committee before presenting a report to the Audit Committee on a quarterly basis.

The risk management of the following issues shall be assessed.

- (1) Safety, Health and Environment Risk
- (2) Compliance Risk
- (3) Intangible Risk
- (4) Hazard Risk
- (5) Input Risk
- (6) Process Risk
- (7) Financial Risk
- (8) Business Risk

### 3.4 Building a Corporate Risk Culture

SCG Packaging recognizes that risk culture is a critical component of risk management.

SCG Packaging has, therefore, set measures as follows:

- assigned top executives to communicate the significance of risk management (tone at the top) and be role models in risk management. This includes establishing practical guidelines on the common risk language, risk appetite, common risk assessment systems;
- assigned and accountability of each risk owner;
- encouraged each company to include risk management as part of the agenda in major meetings;
- designated risk management as a component of training and development programs for employees;
- encouraged experience sharing across departments and companies to continually communicate the benefits of risk management.

## **2.2.12 Disclosure Policy**

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

SCG Packaging's disclosure of information is committed to integrity, transparency and verifiability according to the Corporate Governance principles. The Board of Directors, by the resolutions of the meeting of the Board of Directors no. 216 (12/2019) and no. 224 (8/2020) held on December 16, 2019 and December 1, 2020, respectively, has resolved to approve SCG Packaging's Disclosure Policy to ensure accuracy, compliance with the law, and equality

### **Definitions**

**Key information** means information regarding SCG Packaging's business operations which, if disclosed via improper methods, may have material effects on SCG Packaging's ability to operate its business or on stock prices, or influence investment decisions, whether such information is related to finance, investments or trade secrets, as follows:

1. Financial statements (financial position statement, profit and loss statement, cash flow statement, statement of changes in owner's equity, notes to financial statement) and material changes in accounting policies
2. Information regarding important mergers, acquisitions and dispositions of associated companies/subsidiaries that may affect or change SCG Packaging's business structure.
3. Information regarding acquisitions and expenditures of assets or information related to investment, divestment, capacity expansion or capacity reduction important to SCG Packaging.
4. Information regarding payments or non-payments of dividends, or changes in dividend policies of the securities issuing companies in SCG Packaging.
5. Information regarding the securities of securities issuing companies in SCG Packaging; for instance, capital increases, reissuing securities, and changing of par values.
6. Information regarding important legal disputes of SCG Packaging.
7. Information regarding productions or ceases of production of SCG Packaging's important goods.
8. Information regarding operational policies or strategies of SCG Packaging.
9. Information regarding states, business directions as well as forward-looking Information of SCG Packaging, in particular profit and loss summary.
10. Other information regarding SCG Packaging deemed likely to affect stock prices or influence investment decisions.

Note that important information is deemed as such based on the criteria for information disclosure defined in the Securities Exchange of Thailand's notifications about information disclosure practices of listed companies.

**Securities issuing companies in SCG Packaging** means SCG Packaging Public Company Limited or its subsidiaries with listed securities in the Securities Exchange of Thailand or foreign stock markets.

**Effects on stock prices** means effects causing the stock prices of the securities issuing companies in SCG Packaging to increase, decrease, stabilize or support for the stock prices.

**SCG Packaging** means SCG Packaging Public Company Limited and subsidiaries of SCG Packaging Public Company Limited according to the consolidated financial statement.

#### **Disclosure Policy**

1. SCG Packaging is committed to compliance with disclosure laws in all countries in which SCG Packaging operates or will operate its business.
2. SCG Packaging must perform disclosure of material non-public information with caution, accuracy and completeness and without material faults, in consistent with laws, rules, standards and practices of relevant agencies, in a timely, fair and thorough manner. Actions must be taken to ensure sufficient, equal and easily accessible information for decisions of the shareholders or investors via disclosure channels on SCG Packaging's website or other channels specified by relevant agencies in each matter, as appropriate. Note that time period for such disclosure should be taken into account with caution.

Furthermore, SCG Packaging must designate parties with the rights to disclosure of material non-public information and explicitly define the parties' scope of responsibilities to ensure that SCG Packaging's communications of material information are from the same source and consistent across the parties without causing any confusion while prohibiting employees from disclosing material non-public information at any time, unless assigned by the Chief Executive Officer of SCG Packaging.

3. SCG Packaging must perform explicit and full disclosure of material public information without causing any confusion. Moreover, provision of additional information regarding the disclosed material information must be clear and consistent without misrepresenting the disclosed information.
4. SCG Packaging must perform disclosure of information regarding the business operation's state and direction, as well as SCG Packaging's forward-looking information, with caution and without causing any confusion in the matter, while offering explanation about the conditions and assumptions applied alongside the prediction. Within such process, SCG Packaging must also verify information sources and determine the validity of such information before being utilized in the analyses or predictions.

5. SCG Packaging must perform disclosure of other non-material information on the basis of reality neither with intention of misrepresenting facts regarding financial status, performance, stock prices, nor in a manner which misleads others into thinking that the stock prices may be affected.
6. SCG Packaging must not perform disclosure of material information or other related information regarding highly sensitive matters before the date on which such disclosure will be performed to the Securities Exchange of Thailand or foreign stock markets and the public.
7. In conducting disclosure of material information to the public, SCG Packaging must implement a procedure which ensure transparency, clarity, validity, timeliness and sufficiency for investment decisions.
8. To comply with this Policy, SCG Packaging's Code of Conduct and Corporate Governance Handbook must also be applied.
9. Failure to comply with this Policy is considered a violation of SCG Packaging's Code of Conduct.

### **Practices**

1. **Implementation of a system for material information disclosure**
  - 1.1 The Investor Relations Office must implement a disclosure system for material information necessary for investment decisions in SCG Packaging's securities to ensure transparency, clarity, validity, timeliness and sufficiency for investment decisions.
  - 1.2 The Investor Relations Division must regularly review the system for material information disclosure of the divisions involved in the disclosure of material information to ensure better efficiency and effectiveness.
2. **Management of material information disclosure**
  - 2.1 All divisions involved in the disclosure of material information must compile a register of material information to be disclosed to monitor the material information of which such divisions must perform disclosure with transparency, clarity, validity, timeliness and sufficiency for investment decisions.
  - 2.2 All divisions involved in the disclosure of material information should establish an operation standard concerning disclosure of material information to the Securities Exchange of Thailand, foreign stock markets, relevant governing agencies as well as the public, while taking into account the following laws, standards and best practices:

2.2.1 Disclosure of material information of the securities issuing companies in SCG

Packaging must be performed in a manner that ensure valid, complete, sufficient and genuine information. Such information must be up-to-date and disclosed in a timely, thorough and fair fashion. Such disclosure or provision of information must not be exclusive to specific groups or individuals. Furthermore, such disclosure of material information must not be performed before the date on which such disclosure will be performed to the Securities Exchange of Thailand, relevant foreign stock markets and the public

2.2.2 Disclosure of material information to analysts, shareholders or other specific individuals must be performed with the certainty that such disclosed material information is the information thoroughly disclosed to the public beforehand.

2.2.3 The content and disclosure period of the material information to be disclosed must comply with the requirements of the Securities Exchange of Thailand and relevant foreign stock markets, as well as standards and practices of relevant agencies.

2.2.3 (1) Accurate, clear information

2.2.3 (2) Numerical information sufficient for the investors to compare activities of the securities issuing companies in SCG Packaging

2.2.3 (3) Unbiased, straightforward information: no concealment or mutilation of certain facts which may cause misunderstanding

2.2.3 (4) Simple language which is accessible to the general public and not overly technical

2.2.3 (5) No inappropriate language or unnecessarily excessive disclosure which may mislead the investors or result in price changes or unreasonable purchases/sales of stocks

2.3 In case where notices of material information of the securities issuing companies in SCG Packaging to the Securities Exchange of Thailand, foreign stock markets or relevant governing agencies are underway, relevant employees of SCG Packaging must not disclose such material information to the public as this may cause confusion among investors and unequal distribution of such information. Therefore, the order of disclosure procedure in various channels must be established and introduced in training sessions to employees of SCG Packaging who involve in such disclosure: starting with disclosure of material information to the Securities Exchange of Thailand, foreign stock markets or relevant governing agencies, after which it is disclosure, such material information can then be disclosed to mass media, investors and via other channels.

- 2.4 The securities issuing companies in SCG Packaging have responsibilities for prompt disclosure of material information to the Securities Exchange of Thailand and relevant foreign stock markets when the material information of the securities issuing companies in SCG Packaging regarding operations, or events, or securities trading status of the securities issuing companies, which may produce significant effects on the securities trading prices of the securities issuing companies in SCG Packaging, or such information is of great importance and benefit to investors in analyses by analysts or experts in investment decisions, or such information have, or may have, impacts to the shareholders' benefits.
- 2.5 In case where material information or events, or important projects which meet the following criteria, all relevant divisions may decide to refrain from prompt disclosure of information, where confidentiality of such information must be ensured beforehand.
- 2.5.1 Prompt disclosure of material information will significantly jeopardize SCG Packaging's interests or have negative effects on SCG Packaging's ability to fulfill SCG Packaging's business objectives; for instance, disclosure of real estate purchases may lead to rise in the real estate prices, so it should be delayed until a more appropriate time.
- 2.5.2 When facts are subject to changes, constant disclosure of the same matter to the public based on the changed facts may cause confusion or mislead such public. For example, during a negotiation of acquisition where certain conclusion is yet to be reached, such certain conclusion must be reached first, without necessity of explicit announcement of each negotiation's step.
- 2.6 In case of disclosure of predictions or analyses of information regarding status, business directions as well as forward-looking Information of SCG Packaging, the source of such information utilized in such predictions and analyses must be verified and the validity of such information must be determined before being utilized in such predictions or analyses. Moreover, such predictions must neither be exaggerated nor inaccurate, while such disclosure must be performed with caution without misrepresenting the essence, and must involve explanation of conditions or assumptions used in conjunction with such predictions. Sources of such information must be verified and its validity must also be determined beforehand.
- 2.7 The securities issuing companies in SCG Packaging are not required to disclose estimations or predictions related to profits or other information intended for SCG Packaging's internal use. However, if such disclosure is to be performed, the companies issuing securities must proceed with caution and reasonable assumptions while informing facts with appropriate conditions. Note that if such estimations or predictions are later revealed to be erroneous, the securities issuing companies in SCG Packaging must troubleshoot accordingly and inform the Securities Exchange of Thailand and relevant foreign stock markets immediately.

- 2.8 In case of rumors and news regarding future predictions of total sales, profits or other information, typically the securities issuing companies in SCG Packaging are not required to take any actions unless such rumors or news are highly erroneous to the point that they may explicitly exert effects on stock prices or investment decisions; in which case, the securities issuing companies in SCG Packaging should then consider, as appropriate, inform the Securities Exchange of Thailand and relevant foreign stock markets of the facts.
- 2.9 In case of unusual trading of securities of the securities issuing companies in SCG Packaging based on the market condition, all relevant divisions should monitor such unusual situation and attempt to identify the cause of it: whether it is from any specific information of SCG Packaging. If it is disclosed information, the securities issuing companies in SCG Packaging are not required to take any actions. If there is a potential insider information leak, the securities issuing companies in SCG Packaging should consult specialists to consider taking measures.

### **3. Assignment of personnel and responsibilities related to disclosure of material information**

#### **3.1 Spokesperson**

The individuals with the right to respond to inquiries or provide SCG Packaging's material information yet to be disclosed to the public include:

- (1) Chief Executive Officer of SCG Packaging;
- (2) Chief Financial Officer;
- (3) Investor Relations Manager or Manager – Brand Management Office of SCG Packaging;
- (4) All individuals assigned by the individuals stated in (1) or (2) (only for assigned matters).

#### **3.2 Divisions in charge of governing material information disclosure**

All divisions responsible for controlling and examining disclosure of SCG Packaging's material information to the third party include:

- (1) The Brand Management Office, which is responsible for communication of material information to mass media;
- (2) The Corporate Secretary Office and Accounting Office, which are responsible for disclosure of material information to the Securities Exchange of Thailand, foreign stock markets and relevant governing agencies;
- (3) The Investor Relations Office, which is responsible for provision of material information for analysts or asset management companies.
- (4) All divisions designated by the Chief Executive Officer of SCG Packaging or the Chief Financial Officer (only for assigned matters).

### **3.3 Employees of SCG Packaging**

The Corporate Secretary Office must communicate and raise awareness of all SCG Packaging's employees about the effects following disclosure of SCG Packaging's material information. All employees involved in such disclosure of information may disclose only the information that has already been disclosed to the public beforehand.

All employees without responsibilities for disclosure of material information must also disclose SCG Packaging's information with caution to prevent confusion. Therefore, they should not disclose any material information that has come to their knowledge until SCG Packaging has already published such material information to the public.

## **4. Development of knowledge, understanding and awareness**

4.1 The Corporate Secretary Office must arrange a training session for the executives of listed companies and subsidiaries that are likely to perform disclosure of information to third parties, the objectives of which are for such companies to acknowledge their scope of responsibilities regarding disclosure of material information as well as best practices of material information communication to third parties.

4.2 The Corporate Secretary Office must raise awareness about and foster a culture of material information disclosure, where the process must be carried out while putting priorities on transparency, accuracy and SCG Packaging's reputation, for the employees of SCG Packaging.

4.3 Due to the importance of material information disclosure to the securities issuing companies in SCG Packaging, especially disclosure to the shareholders and investors, as well as the Securities Exchange of Thailand and foreign stock markets, any questions or doubts should be consulted with SCG Packaging's relevant experts, including legal advisors, the Corporate Secretary Office, the Brand Management Office and the Investor Relations Office.

## **5. Monitoring and reporting**

5.1 Designate the divisions involved in disclosure of material information and the Internal Audit Office to monitor and report disclosure of material information to ensure SCG Packaging's proper and complete compliance with applicable laws, policies and practices.

5.2 Designate the divisions involved in disclosure of material information to report to their superiors and top executives promptly when requests from the Securities Exchange of Thailand and foreign stock markets are received, by informing about material information or any events that occur for the executives to make decisions regarding further disclosure of information.

5.3 The executives must provide SCG Packaging's employees with support that enables them to report any behaviors or actions that may involve sharing, publishing and approving false information, or disclose to third parties the results of analyses or predictions of SCG Packaging's operations using false, incomplete or misrepresented information, which may bring about impacts on stock prices or effects on investment decisions in securities. SCG Packaging's employees may report such behaviors or actions to their trusted superiors or the individuals responsible for complaint management as assigned by SCG Packaging, or via the Whistleblowing System.

In addition, the reporters or information providers are protected under the Whistleblowing Policy.

#### **Scope of practices**

1. The securities issuing companies in SCG Packaging with transactions which are related to material information and warrant responsibilities for disclosure of information as required by the laws.
2. All directors, executives and employees of SCG Packaging must comply with applicable laws concerning disclosure of information.
3. SCG Packaging's provision of information, including in writing or verbally; via phone call or through online media, press conferences to shareholders, correspondents, or investors; teleconferences; video conferences via various methods; as well as provision of information via channels established by government agencies or other individuals for the general public's access.
4. Compliance with applicable laws concerning disclosure of information in all countries in which SCG Packaging operates or will operate its business.

#### **Roles and responsibilities**

1. All directors, executives and employees of SCG Packaging must understand their own roles and responsibilities in disclosure of SCG Packaging's material information and strictly comply with applicable laws and policies on disclosure of SCG Packaging's information.
2. The Investor Relations Division must establish a system for disclosure of material information to ensure transparency, clarity, validity, timeliness and sufficiency for investment decisions. The Compliance Division must also arrange communication, promotion and support in conjunction with knowledge, understanding and skill expansion for SCG Packaging's employees regarding proper and regular compliance with applicable laws, policies and practices, as well as establish monitoring measures to ensure that SCG Packaging properly and completely comply with applicable laws, policies and practices.

3. SCG Packaging's employees involved in disclosure of material information must understand their own roles and responsibilities regarding compliance with this Disclosure Policy, by developing knowledge, understanding and skills in their own responsibilities as individuals with in-depth knowledge, attention and care for their assigned responsibilities and tasks.

**How to submit inquiries**

To comply with this Disclosure Policy, use SCG Packaging's Code of Conduct and Corporate Governance Handbook as references, and for any inquiries, consult your superiors or relevant support divisions, including the Investor Relations Officer, Brand Management Office, legal advisors or Corporate Secretary Office, etc.

## **2.2.13 Insider Information Management and IT Governance Policy**

(Resolutions of the meeting of the Board no. 239 (7/2022) on October 25, 2022, effective from October 25, 2022)

### **Insider Information Management Policy**

In the operation of SCG Packaging Public Company Limited (“the Company”) and its subsidiaries; directors, executives, employees, and related parties must review and be informed of information that may affect securities prices and cannot be disclosed to shareholders, investors, or the general public. Therefore, the use of insider information requires utmost management to prevent any leakage, misuse, or unfair advantage, which is not only illegal but may also affect the reputation of the Company. The Board of Directors of the Company has thus approved the formulation of the Insider Information Management and IT Governance Policy for every director, executive and employee of the Company to adopt and communicate accurately.

#### **Definitions**

SCG Packaging means SCG Packaging Public Company Limited and its subsidiaries according to the consolidated financial statements of SCG Packaging Public Company Limited.

Securities means securities listed on the Securities Exchange of Thailand or international Securities Exchange, including but not limited to treasury bills, bonds, bills, shares, debentures, investment units which are instruments or evidence representing the rights to the property of a mutual fund, certificates representing the rights to purchase shares, certificates representing the rights to purchase debentures, certificates representing the rights to purchase investment units, derivatives and any other instruments under the Securities and Exchange Act B.E. 2535 (and its amendments) (“**Securities Act**”) or the Office of the Securities and Exchange Commission (“**Office of SEC**”).

Insider Information means the information which has not yet been disclosed to public whose material content could influence changes in securities prices or values of the Company or other listed companies relating to the insider information

#### **Policy**

1. SCG Packaging is committed to complying with laws relevant to insider trading in every country SCG Packaging operates or plans to conduct business.
2. Any director, executive, employee of SCG Packaging, and any external party who is privy to or is in possession of insider information of SCG Packaging through their duties must:
  - 2.1 maintain insider information of SCG Packaging with due care and safe in order to prevent its leakage.
  - 2.2 not disclose insider information of SCG Packaging whether directly or indirectly to any other person not being engaged with assigned work in order to prevent usage of insider information for benefits of such person or others.

This is because such actions may affect the prices or value of the securities of SCG Packaging's listed companies or other listed companies related to the insider information or may influence investment-related decisions.

3. Any director, executive, employee of SCG Packaging, and any external party who is privy to or is in possession of insider information through their duties, or have positions or is in the line of work relating to insider information, must not purchase or sale securities or enter into derivative contracts related to securities of which insider information has not been publicly disclosed, except in the case that such act would not create an unfair advantage over others as specified by the Office of SEC.
4. Any director, executive and employee working in the division relating to insider information must comply with the blackout period measurement as prescribed in this policy to prevent them from the risk of wrongful use of insider information.
5. SCG Packaging must implement a security system to prevent leakage of insider information that it will not be used for purchasing or selling securities for his or her own benefits or others.
6. The directors, executives and employees of the Company have their own duties to strictly comply with their charters, code of conduct and corporate governance handbook of the Company as well as the rule of using insider information under the Securities and Exchange Act B.E. 2535 (and its amendments) ("Securities Act") and Public Limited Companies Act B.E. 2535 (and its amendments) and other applicable rules. The directors, executives and employees of SCG Packaging have their own duties to strictly comply with their charters, SCG Packaging's Code of Conduct and SCG Packaging's Corporate Governance Handbook, the Delegation of Authority, related disclosure policies of SCG Packaging, guidelines for the use of inside information under the "Securities Act" and Public Limited Companies Act B.E. 2535 (and its amendments) and other applicable rules.
7. Any director, executive and employee of SCG Packaging who does not comply with this policy is considered breaching of code of conduct and breaking discipline which are subject to punishment including those prescribed by laws if it is breach of laws.

#### **Blackout period measurement**

The Company's directors, executives, including persons holding an executive position in accounting or finance at a divisional manager or equivalent level, employees of the offices relating to insider information including their spouse or cohabiting couple knowing insider information are prohibited from trading the securities or enter into derivative contracts relating to securities of the Company or the Company's listed subsidiaries or associate companies or other listed companies relating to insider information during a period of 1 month before disclosure of any quarter and annual financial statements and within 24 hours after such disclosure.

Moreover, the Company's directors, executives, including persons holding an executive position in accounting or finance at a divisional manager or equivalent level, employees of the

offices relating to insider information including their spouse or cohabiting couple knowing insider information of the Company or the Company's listed subsidiaries or associate companies or other listed companies relating to insider information are prohibited from trading the securities of said companies until after 24 hours from the time of disclosure of all said insider information to public.

**Reporting of Holding and Changing of Holding of Securities and Derivatives**

1. The Company will provide knowledge to the board of directors and executives of the Company including persons holding an executive position in accounting or finance at a divisional manager or equivalent level regarding their duties on preparing, disclosing and submitting the reports on their holding and changing of holding of securities and derivatives, and their spouse or cohabiting couple and minor children including the holding of securities and derivatives, and the change to such holding, by a juristic person whose shares exceeding 30 percent of the total voting rights are held by the board of directors and executives of the Company, the spouse or cohabiting couple, and minor children of such persons to the Office of SEC according to Securities Act, Notification of the Securities and Exchange Commission and applicable notifications of Capital Market Supervisory Board including punishment according to relevant laws.
2. The board of directors and executives of the Company including persons holding an executive position in accounting or finance at a divisional manager or equivalent level of the Company must prepare, disclose and submit the reports on holding and changing of holding of their securities and derivatives and their spouse or cohabiting couple and minor children including juristic persons under Securities Act, Notification of the Securities and Exchange Commission and applicable Notification of the Capital Market Supervisory Board to the Company Secretary before every submitting to the Office of SEC in a form and within the following periods:
  - 2.1 within 7 working days from the date of purchase, sale, transfer or acceptance of transfer of securities or derivatives in the case where the person with the duty to report is a director or an executive of the Company, and in accordance with all of the following regulations:
    - (a) the Company shall report the names of the directors and executives through the Directors and Executives Information System according to the method specified by the Office of SEC in the Notification of the Office of SEC concerning Forms and Methods for Reporting or Changing the Information of Company Directors and Executives;
    - (b) the persons with the reporting duty report shall report purchase, sale, transfer or acceptance of transfer of securities or derivatives before having their names listed in the Directors and Executives Information System of the Office of SEC under (a).
  - 2.2 within 3 working days from the date of purchase, sale, transfer, or acceptance of transfer of securities or derivatives in any case other than 2.1.

### **Maintaining and Protecting Usage of Insider Information**

Insider information is deemed a valuable information. Using insider information jointly must be made within assigned duty and responsibility only. Disclosing insider information to public including communicating any information relating to insider information must be agreed by the Chief Executive Officer or the Chief Financial Officer or authorized persons only.

### **IT Governance Policy**

The Company emphasizes on utilizing information technology system efficiently and safely by stating its e-policy as approved by the Chief Executive Officer or the IT Director or designated person including provision of security protection measures for computer and information system as follows:

1. Using computer and information technology of the Company in accordance with the Computer-related Crime Act and other applicable laws.
2. Limiting assessment to insider information to only the Chief Executive Officer, the Chief Financial Officer, the Company Secretary and the Management in relevant organization structure and disclosing to the Company's employees on necessity basis and informing the Company's employees of the confidentiality and limitation of use of the information.
3. Not changing, copying, deleting or destroying information of the Company and not disclosing information in the system of the Company without permission from the Company.
4. Implementing security system to prevent assessment and usage of information folder and confidential documents.
5. Using information technology system correctly according to permitted rights, keeping and not allowing other person using password to access the information technology system.
6. Not using information technology system to access or send information having content immoral, relating to gambling, affecting national security or violating other person's rights.
7. Communicating through social media must be made appropriately, accurately and truly as well as considering fairness to all stakeholders and not incurring damage to the Company by strictly following brand communication guidance and social media policy as approved by the Chief Executive Officer.

## **2.2.14 Human Rights Policy**

(Resolution of the meeting of the Board of Directors no. 236 (4/2022) on May 24, 2022, effective from May 24, 2022)

SCG Packaging aims to conduct business with ethics, adhering to responsibility toward society and all groups of stakeholders based on Good Corporate Governance principles and SCG Packaging's Code of Conduct. For human rights protection, SCG Packaging has strictly complied with laws and is committed to human rights respect in accordance with internationally accepted standards especially giving support to and complying with Universal Declaration of Human Rights: UDHR, United Nations Global Compact: UNGC, United Nations Guiding Principles on Business and Human Rights: UNGP and the International Labor Organization Declaration on Fundamental Principles and Rights at Work: ILO. Moreover, SCG Packaging also commit to manage Human Rights according to the Code of Conduct and other company-specific statements of commitment.

To ensure that SCG Packaging's business is free from human rights violation, the Board of Directors has deemed it appropriate to issue the Human Rights Policy and guidelines to prevent violation of human rights in every activity of SCG Packaging's business (direct activity), including suppliers/contractors in business value chain and joint ventures.

### **Scope of Application**

This Human Rights Policy and requirements is applicable to all activities of SCG Packaging ( employees, direct business activities, products and services) where SCG Packaging has management control such as own operations, companies 100% owned by SCG Packaging, subsidiaries and joint ventures.

SCG Packaging expects and encourages business partners of which SCG Packaging does not have overall control, such as associate companies and other companies in which SCG Packaging jointly invested as well as contractors, suppliers and other related parties to uphold and comply with this policy.

### **Definition Terms in the Human Rights Policy**

“Human Rights” are rights inherent to all human beings, regardless of physical or mental status, race, nationality, national or social origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, tradition or any other status as stipulated by laws of each country and treaty each country has commitment to. Human rights include the rights to life and liberty, freedom from slavery and torture, human trafficking, harassment, forced labor and child labor, freedom of expression, freedom of association and right to collective bargaining, the right to work and working hours, the right to education, equal remuneration and other rights such as personal data protection, occupational health and safety, and minorities in local community and community rights. Everyone is entitled to these rights, without discrimination in accordance with diversity and inclusion.

“Discrimination” is defined as the act and the result of treating people unequally by imposing unequal burdens or denying benefits, instead of treating each person fairly on the basis of individual merit. Discrimination can also include harassment.

“Harassment” is defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed. Non-sexual harassment includes but is not exclusive to mobbing and bullying, while sexual harassment includes a sexual component.

“Vulnerable Group” means a “population within a country that has specific characteristics that make it at a higher risk of needing humanitarian assistance than others or being excluded from financial and social services such as women, disability person, children, indigenous people, migrant workers and people, LGBTQI+, third-party contracted labor, contractors and community.

SCG Packaging means SCG Packaging Public Company Limited and the subsidiaries of SCG Packaging Public Company Limited based on the consolidated financial statements.

### **Human Rights Policy**

The Board of Directors, executives and employees of SCG Packaging at all level shall be aware of the importance of human rights and respect human rights of everyone in all aspects including social and community, laws of each country and treaty each country is committed to and:

- Treat everyone according to human rights principle on equal basis without discrimination;
- Avoid any act considered violation of human rights;
- Support human rights protection;
- Support communication, dissemination, education, creation of understanding, defining direction, monitor and provide any support to any related parties.

### **Guidelines**

1. Everyone shall respect human rights and treat each other with respect and honor on equality basis to all stakeholders and vulnerable groups without discriminating others based on their differences in physical and mental status, race, nationality, national or social origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, tradition or any other status.
2. Perform duty with care to prevent any risks of human rights violation in business and commit to preventing all forms of harassment, including sexual harassments and other forms of harassment. SCG Packaging is committed to non-discrimination, anti-harassment and zero-tolerance policies against all forms of harassment (including sexual and non-sexual harassment) and discrimination, which dictate that any allegations are taken seriously and handled confidentially and sympathetically. If allegations are confirmed, remedial action, disciplinary action, dismissal, or legal action will be taken.

3. Everyone shall support communication and dissemination of the Human Rights Policy, education, creation of understanding, defining direction, and provide any support to employees, suppliers/contractors in the business value chain and those in the joint ventures to join the business with ethics, respecting human rights and treating everyone based on the human rights principle in this policy, and regularly check for understanding. Training for all employees and relevant parties on human rights including discrimination and harassment in the workplace shall be provided.
4. Everyone shall be vigilant about human rights respect; and shall not willfully neglect or ignore any act considered violation of human rights related to SCG Packaging, and shall report the incident to supervisors or responsible parties as well as cooperating in fact-finding investigations. Should there be any inquiries, the employees may consult their supervisors or responsible parties through designated channels.
5. Provide up-to-date and effective grievance mechanism and escalation process for reporting incidents, fairly treat and protect any whistleblower who reports a violation of the human rights of an individual related to SCG Packaging by implementing whistleblower protection measures to protect all whistleblowers and informants involved as stipulated in the Whistleblowing Policy.
6. Continuously develop and conduct a due diligence process covering new investment or mergers and partnership in order to identify human rights risks and impacts as well as all potentially affected groups of stakeholders, to plan for corrective and preventive actions on addressing, preventing, and managing human rights violations in accordance with a unified organization-wide risk management framework which covers related industry and country specific issues, and to track and monitor the situation. Also, appropriate mitigation and remediation plan shall be set for human rights violation cases.
7. SCG Packaging is determined to create and maintain corporate culture aiming to respect human rights according to this Human Rights Policy.
8. Any person who violates the human rights as well as having discriminatory or harassing behaviors, which are considered acting against SCG Packaging's Code of Conduct, shall undertake corrective action or be considered for disciplinary penalty as defined by SCG Packaging and may be subject to legal punishment if the act is against the law.
9. SCG Packaging is committed to communicate, report and disclose human rights implementations, mitigation and remediation as well as incidents of discrimination and harassment to the public in a complete and transparent manner.
10. Regularly review the Human Rights Policy by taking into account changes that are significant to the organization.

## **2.2.15 Diversity and Inclusion Policy**

(Resolution of the meeting of the Board of Directors no. 236 (4/2022) on May 24, 2022, effective from May 24, 2022)

SCG Packaging recognizes the significance of respecting human rights of every individual, ensuring equitable treatment to all without discrimination, and adhering to ethical business conduct as stipulated in SCG Packaging's Human Rights Policy, which includes respect for diversity and inclusion.

To ensure that SCG Packaging's business operation has a diversity and inclusion practice that respects human rights, the Board of Directors has deemed it appropriate to develop the Diversity and Inclusion Policy and Guidelines, applicable to all operations involved in SCG Packaging's products and services as well as all business activities of SCG Packaging (direct activity), including those of its suppliers/ contractors in the business value chain and joint ventures.

### **Definition Terms in the Diversity and Inclusion Policy**

Diversity refers to individual differences in physical attribute, mental ability, race, nationality, national or social origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, tradition or any other aspects as stipulated by laws of each country and treaty each country has commitment to.

Inclusion refers to the appreciation and acceptance of individual differences.

SCG Packaging refers to SCG Packaging Public Company Limited and subsidiaries of SCG Packaging Public Company Limited in its consolidated financial statements.

### **Diversity and Inclusion Policy**

The Board of Directors, executives, and employees at all levels of SCG Packaging shall recognize and pledge to uphold respect for diversity and inclusion, and:

- everyone equitably, respect and accept individual differences; either internal and outside SCG Packaging organization, and comply with SCG Packaging's policies, the laws of each country, and treaties to which each country is bound;
- Foster an exemplary organizational culture that embraces diversity and inclusion and does not tolerate discrimination and inequitable treatment;
- Promote business practices that, ethically and respectfully, embrace diversity and inclusion in line with this policy among SCG Packaging's suppliers/ contractors in the business value chain, suppliers, contractors, and joint ventures.

## Guidelines

1. Everyone shall treat individuals equitably; show respect for diversity and inclusion; be open and promote openness to different opinions; foster an ambience and organizational culture that embraces diversity and inclusion in accordance with this policy.
2. Respect for diversity and inclusion is considered part of SCG Packaging's business strategy, which will promote SCG Packaging's business initiatives and development.
3. The executives, supervisors, and leaders at all levels shall promote respect for diversity and inclusion across SCG Packaging.
4. SCG Packaging encourages every business unit to take into consideration diversity and inclusion when nominating members of the Board of Directors, members of other committee at any level, or candidates for other positions.
5. Diversity and inclusion practices must be strictly applied to human resource management, including recruitment, employment, employee development, career advancement, performance and remuneration management, retirement, and others.
6. SCG Packaging shall communicate with and educate SCG Packaging's employees, suppliers/ contractors in the business value chain and those in the joint ventures to join the business, as well as foster an understanding, prescribe directions, and provide other supports to promote business practices that embrace diversity and inclusion and regularly check for understanding.
7. Every employee must exercise caution when performing duty to prevent human rights violations; be vigilant about diversity and inclusion; and do not willfully ignore any act considered violation of the rights of an individual related to SCG Packaging, and shall report the incident to supervisors or responsible parties as well as cooperating in fact-finding processes. Should there be any inquiries, the employees may consult their supervisors or responsible parties through designated channels.
8. Provide up-to-date and effective grievance mechanism, fairly treat and protect any whistleblower who reports a violation of the rights of an individual related to SCG Packaging by implementing whistleblower protection measures to protect all whistleblowers and informants involved as stipulated in the Whistleblowing Policy.
9. Any person who violates the rights of another person on the basis of their individual differences, which is also considered a violation of SCG Packaging's Code of Conduct, shall be subject to a disciplinary inquiry as prescribed by SCG Packaging's regulations and may also be subject to legal punishment if the act is against the law.
10. Regularly review the Diversity and Inclusion Policy by taking into account changes that are significant to the organization.

## **2.2.16 SCGP Privacy Policy**

(Resolution of the meeting of the Board of Directors no. 220 (4/2020) on June 2, 2020,  
effective from June 2, 2020)

SCG Packaging respects the privacy of customers, shareholders, SCG Packaging's employees, and persons relevant to SCG Packaging. To ensure that the rights of said persons shall be protected under the Personal Data Protection Act (PDPA), the Board of Directors of SCG Packaging Public Company Limited, by the resolution of the meeting of the Board no. 220 (4/2020) on June 2, 2020, has thus resolved to issue the SCGP Privacy Policy so that SCG Packaging can have clear and proper guidelines, mechanisms, governance measures, and management for personal data.

### **1. Scope of Application**

This Privacy Policy is applied to SCG Packaging, SCG Packaging's employees, and any person relating to personal data processing as instructed by or on behalf of SCG Packaging.

### **2. Definitions**

- 2.1 Processing means any operation performed on personal data such as collecting, recording, organizing, structuring, storing, editing, retrieving, disclosing, forwarding, disseminating, transferring, combining, erasing, and destroying.
- 2.2 Personal Data means information that relates to an individual and thus makes it possible to identify the individual, either directly or indirectly, such as name, surname, e-mail, phone number, IP Address, image, nationality, religion, political opinions, Genetic data, and Biometric data.
- 2.3 Data Subject means any natural person who can be directly or indirectly identified by personal data.
- 2.4 Data Controller means a natural person or a juristic person that is authorized to make decisions concerning personal data processing.
- 2.5 Data Processor means a natural person or a juristic person which carries out operations concerning personal data processing as instructed by or on behalf of the Data Controller.
- 2.6 SCG Packaging means SCG Packaging Public Company Limited and its subsidiaries according to the consolidated financial statements of SCG Packaging Public Company Limited.

### **3. Privacy Policy: Personal Data Protection Governance**

- 3.1 SCG Packaging shall issue the structure of personal data governance so as to define proper methods and measures, in compliance with laws, as follows:

- (1) Setting up Organizational Structure and clearly defining roles, missions and responsibilities of relevant departments and persons, so as to establish governance mechanisms, control, responsibility, operation, implementation, and monitoring of personal data protection measures in compliance with laws and SCGP Privacy Policy;
  - (2) Appointing SCG Packaging Data Protection Officer (SCG Packaging DPO) with roles and duties as specified in SCGP Privacy Policy.
- 3.2 SCG Packaging shall issue policies, standards, guidelines, procedures, and other documents relating to personal data protection in alignment with the law and SCGP Privacy Policy.
- 3.3 SCG Packaging shall issue Policy Management Process to oversee that SCGP Privacy Policy is being constantly adhered to.
- 3.4 SCG Packaging shall regularly carry out training for SCG Packaging's employees so that the employees will recognize the importance of the Privacy Policy, and to ensure that all of SCG Packaging's relevant employees are well-trained, understand personal data protection, and adhere to SCGP Privacy Policy.

#### **4. Privacy Policy: Personal Data Processing**

- 4.1 SCG Packaging, as a data controller and data processor, shall conduct personal data processing in a fair and transparent manner in compliance with laws while taking into account the accuracy of such personal data. The determination of scopes and objectives of personal data processing as well as the period of time personal data shall be stored, shall be carried out as necessary under lawful objectives and SCG Packaging's business practices. In addition, SCG Packaging shall sufficiently maintain confidentiality, integrity, and security of personal data.
- 4.2 SCG Packaging shall issue a process and oversee to manage personal data at every step to comply with laws and SCGP Privacy Policy.
- 4.3 SCG Packaging shall issue and retain Records of Processing (RoP) for recording transaction and any activity relating to personal data processing in compliance with laws. In addition, Records of Processing shall be revised should there be any change of transactions or relevant activities.
- 4.4 SCG Packaging shall issue clear process to ensure that notice of objectives, and accumulation and details of personal data processing (Privacy Notices), as well as seeking consent from the data subjects are in compliance with laws. Governance measures for and validation of the said issues shall also be implemented.

- 4.5 SCG Packaging shall establish mechanisms for personal data validation and personal data correction.
- 4.6 In the case where SCG Packaging send, transfer, or allow any other person to use personal data, SCG Packaging shall have an agreement with data receivers or users to define rights and duties in compliance with laws and SCGP Privacy Policy.
- 4.7 In the case SCG Packaging send or transfer personal data abroad, SCG Packaging shall proceed in accordance with laws.
- 4.8 SCG Packaging shall destroy personal data when it is due in compliance with laws and SCG Packaging's business practices.
- 4.9 SCG Packaging shall assess risks and set measures to prevent risks and reduce effects which may occur with personal data processing.

## **5. Privacy Policy: Data Subject's Rights**

SCG Packaging shall provide measures, channels, and means so that the data subject are able to exercise their rights as stipulated by laws, and shall record and assess the response to data subjects' rights of access.

## **6. Privacy Policy: Personal Data Security**

- 6.1 SCG Packaging shall sufficiently set forth personal data security measures, and prevent the personal data leaks and the use of personal data without permission.
- 6.2 SCG Packaging shall issue the Privacy Incident Management Policy and Incident Response Program so as to promptly identify and handle privacy incidents.
- 6.3 SCG Packaging shall provide notification process for data subjects, government officers, data controllers (in case SCG Packaging is the data processor or joint data controller), and other persons in compliance with laws.

## **7. Privacy Policy: Personal Data Protection Compliance**

- 7.1 SCG Packaging shall provide monitoring process in case there is any amendment of laws, and regularly keep personal data protection compliance up-to-date and compliant with laws.
- 7.2 SCG Packaging shall regularly review and revise the policy, standards, guidelines, procedures, and other documents relevant to personal data protection in order to keep them up-to-date, and compliant to the law and situation in each period.

## **8. Roles, Duties and Responsibilities**

- 8.1 The Board of Directors have roles duties, and responsibilities as follows:
  - (1) Oversee that the structure for personal data governance and internal control concerning SCG Packaging are set forth to ensure compliance with laws and SCGP Privacy Policy.

- (2) Oversee and support SCG Packaging to carry out personal data protection with efficiency and compliance to laws.

#### 8.2 Privacy Committee

Risk Management Committee shall be appointed to act as the Privacy Committee, which have roles, duties, and responsibilities as follows:

- (1) Set up the structure for personal data governance, relevant internal control, Privacy Incident Management Policy, and Incident Response Program so as to promptly identify and handle privacy incidents.
- (2) Assess the efficiency of compliance with SCGP Privacy Policy and report the assessment results to the Board of Directors on a regular basis at least once a year, as well as supervise to ensure that any risk relating to personal data is properly handled and that proper risk management practices are implemented.
- (3) Define and review the standards and guidelines so that SCG Packaging's operation complies with laws and SCGP Privacy Policy.
- (4) Appoint SCG Packaging Data Protection Officer (SCG Packaging DPO).

#### 8.3 The executives have roles, duties, and responsibilities to supervise departments in charge of overseeing compliance with SCGP Privacy Policy and promoting awareness among SCG Packaging's employees.

#### 8.4 SCG Packaging's DPO has roles, duties, and responsibilities as stipulated by laws, include:

- (1) Regularly report data protection status to the Privacy Committee and provide feedbacks so as to keep SCG Packaging's personal data protection up-to-date and compliant with the law.
- (2) Giving advice to SCG Packaging's employees regarding compliance with laws and SCGP Privacy Policy.
- (3) Supervise the operations of divisions in SCG Packaging to comply with laws and SCGP Privacy Policy.

#### 8.5 SCG Packaging employees have roles, duties, and responsibilities as follows:

- (1) Comply with SCGP Privacy Policy, standards, guidelines, procedures, and other documents relevant to personal data protection.
- (2) Report privacy incidents, and non-compliance with laws and SCGP Privacy Policy to superior.

### **9. Punishment for Non-Compliance with SCGP Privacy Policy**

Non-compliance with SCGP Privacy Policy might be guilty of misconduct and lead to disciplinary actions, including punishments as specified by laws.

## **2.2.17 Tax Policy**

(Resolution of the meeting of the Board of Directors no. 229 (5/2021) on July 27, 2021, effective from July 27, 2021)

Philosophy of SCG Packaging Public Company Limited and its affiliates ("SCGP") is to conduct business with fairness, adhering to social and stakeholder's responsibility, all in accordance with its corporate governance policy and code of conduct. With respect to tax policy, SCGP ensures that its business is operated with transparency, fairness and fully comply with laws and regulations in all countries where SCGP operates, as follows:

1. SCGP shall conduct its business and manage tax in conformity with commercial substance, transparency and verifiable.
2. SCGP shall comply with taxation laws and regulations of Thailand and the countries where SCGP operates including filing tax payment in timely manner and fully cooperating with all government tax authorities.
3. SCGP may have business transactions in or with countries having lower tax rate to the extent necessary. Such transaction shall be implemented with accuracy, transparency, verifiable and fully comply in all respects with applicable laws. SCGP shall not engage in business setting up activities in tax haven for illegal tax avoidance.
4. SCGP shall openly and transparency comply with transfer pricing laws of Thailand and countries where SCGP operates and fully comply with arm's length principles.

## **2.2.18 Intellectual Property Policy**

(Resolution of the meeting of the Board of Directors no. 231 (7/2021) on October 26, 2021, effective from October 26, 2021)

SCG Packaging Public Company Limited stresses the importance of intellectual property as a tool for creating innovation and considers it as a valuable asset, which employees must preserve and protect from being used or publicized without permission, as well as respecting and avoiding infringement of intellectual property of others. The Board of Directors has thus deemed it appropriate to establish the Intellectual Property Policy for the employees' understanding and stringent implementation.

### **1. Definitions**

- 1.1 Intellectual property refers to patents, petty patents, copyrights, trademarks, trade secrets, knowledge, circuit diagrams, geographical indications, and any rights or data in connection with the aforementioned items.
- 1.2 SCG Packaging refers to SCG Packaging Public Company Limited and subsidiaries defined pursuant to consolidated financial statements of SCG Packaging Public Company Limited.
- 1.3 Employee refers to any permanent employees under the employment agreement, probationary employees, and employees under special employment agreements of companies in SCG Packaging in every country where SCG Packaging operates.
- 1.4 Business Associate refers to any person or group or legal entity with whom SCG Packaging has to deal in the normal course of business, including the government, state agencies, state enterprises, private-sector organizations, etc.

### **2. Objectives**

- 2.1 To inform SCG Packaging's employees and organizational units of the practice guideline concerning the intellectual property for further implementation.
- 2.2 To inform business associates of the practice guidelines concerning intellectual property, and SCG Packaging expects its business associates to implement the said guidelines in their business practices.

### **3. Scope**

This policy applies to all employees and all organizational units within SCG Packaging.

### **4. Principles**

SCG Packaging's Intellectual Property Policy is based on the following guiding principles:

- 4.1 SCG Packaging respects the law and adheres to the principles of good governance in the management of the intellectual property

4.2 SCG Packaging fosters innovation and technology development for continuous and sustainable utilization.

4.3 SCG Packaging employs a system of rewards, appreciation, and encouragement to boost employees' engagement for the creation of intellectual property.

## 5. Organization Structure

SCG Packaging establishes a department dedicated to overseeing the management of the intellectual property and related laws to promote the intellectual property management.

## 6. Awareness Promotion of Intellectual Property

6.1 SCG Packaging promotes and supports the education of intellectual property among employees.

6.2 Employees must obtain education of intellectual property to gain knowledge and proper understanding for effective implementation.

## 7. Intellectual Property and Innovation

7.1 Employees must respect the ownership rights of other creators.

7.2 SCG Packaging attaches great importance to the use of the intellectual property as the key tool for innovation creation.

7.3 SCG Packaging owns intellectual property rights regardless of whether or not it seeks the legal protection for the creation which employees have invented as follows:

- (1) The creation developed under the employment contract or an employment contract with the purpose of facilitating the creation unless the employment contract is specified otherwise.
- (2) Creation using methods, statistics, or reports employees can use or access as an employee under the employment contract, even if the employment contract is not related to the creation.

7.4 SCG Packaging rewards employees to promote innovation creation and establish fairness in line with applicable laws or regulations.

## 8. Protection of Intellectual Property

8.1 SCG Packaging provides appropriate protection of intellectual property.

8.2 Employees are responsible for providing cooperation and assistance in preserving the rights and obtaining the protection of the rights of the Company.

8.3 Employees understand the protection of trade secrets and adhere to the policies relating to the said matters.

8.4 Employees with relevant duties must perform a legal demonstration of rights and protections in accordance with appropriate intellectual property provisions on their work, products, services, logos, or advertisements.

## **9. Use of Intellectual Property**

9.1 SCG Packaging promotes the proper use of intellectual property, which is in line with the business situation.

9.2 SCG Packaging determines the valuation of intellectual property for the benefit of licensing or assigning rights to individuals or entities, both internal and external.

9.3 SCG Packaging establishes relevant guidelines and procedures for the licensing, transfer, purchase, or sale of intellectual property rights, including any other commercial uses for the benefit of intellectual property management in accordance with business strategy, research, and business planning.

## **10. Intellectual Property Monitoring and Auditing and Law Enforcement**

10.1 SCG Packaging has organized a monitoring and auditing process of intellectual property, products, and services to ensure appropriate action for preventing damage to the business and the Company's reputation, and others.

10.2 SCG Packaging will take appropriate legal action if any violation or activity is found, which may lead to an infringement of intellectual property rights.

10.3 Employees are responsible for cooperating and supporting the monitoring and auditing process of intellectual property, products and services according to Clause 10.1.

## **11. Partnership Between SCG Packaging and Business Associate**

Employees involved in the matters shall administer intellectual property in relation to each type of contract or agreement in an appropriate manner. Examples of an intellectual property contract or agreement that may be specified in the contract or agreement are confidentiality, proper information disclosure, intellectual property ownership, the exercise of intellectual property rights, and benefit-sharing.

## **2.2.19 Investor Relations Code of Conduct**

(Resolution of the meeting of the Board of Directors no. 221 (5/2020) on July 24, 2020, effective from July 24, 2020)

SCG Packaging Public Company Limited has developed this Investor Relations Code of Conduct to establish guidelines for correct and proper practices to which investor relations officers (IROs) can adhere. The Code of Conduct details fundamental principles regarding information disclosure, protection of insider information, fair and equitable treatment of stakeholders, and working with integrity, all of which are in alignment with SCG Packaging Corporate Governance. This, in turn, will add value to the Company and inspire confidence in its shareholders, investors, the public, and all stakeholders. The Investor Relations Code of Conduct comprises four main principles as follows:

1. Accurately, sufficiently and timely disclosing information crucial to investment decisions
  2. Handling and protecting insider information
  3. Disclosing information equitably and fairly
  4. Performing duties with professional integrity
1. **Accurately, sufficiently and timely disclosing information crucial to investment decisions**
- 1.1 Disclose information crucial to investment decisions in an accurate, sufficient, and timely fashion in accordance with the rules and regulations of the authorities concerned such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
  - 1.2 Exercise their discretion and caution in disclosing information and refuse to divulge trade secrets or information that may compromise the Company's competitiveness.
  - 1.3 Disclose information in a regular and clear manner and exercise caution to prevent misunderstanding or misinterpretation. In additions, they must provide both positive and negative facts, ensure sufficient details for a clear understanding, and recognize that a disclosure of complete information will enable information receivers to achieve a more accurate prediction and expectation of the Company's current and future performance.
  - 1.4 Clarify facts to the public in a timely manner in compliance with the rules and regulations of the SET and relevant authorities upon the surfacing of rumors, news leaks, inaccurate understanding among stakeholders, or any information about the Company that may significantly influence investment decisions or the price or value of the Company's securities.
  - 1.5 Refrain from disclosing inaccurate information or information that is conjectural or predictive in nature, either verbally or in written forms, prior to public disclosure with the intention to manipulate the purchasing of the Company's shares.

- 1.6 Do not provide negative or slanderous information about the Company's competitors or stakeholders.
- 1.7 Establish information dissemination channels or sources to ensure equitable disclosure of information.

## 2. Handling and protecting insider information

- 2.1 Do not use insider information which is important and yet to be publicly disclosed for IROs' own interest or the interest of others and must not disclose such information until it has been publicly disclosed in accordance with relevant rules and regulations.
- 2.2 Comply with laws, rules, regulations, and the Company's policies related to handling of inside information. Material information that may affect performance should be disclosed through channels provided by the SET before it is relayed to any specific investor group.
- 2.3 Adopt a "Quiet Period" of at least two weeks prior to the disclosure of the Company's financial statements, during which IROs will not host a meeting or provide analysts and investors with information or answer questions related to the Company's short-term performance.

## 3. Disclosing information fairly and equitably

- 3.1 Host activities for different stakeholder groups as deemed appropriate to offer opportunity to each group for equal and fair access to information and ensure that no group is placed in a disadvantageous position or has their investment opportunities compromised.
- 3.2 Provide channel with equal opportunity for all stakeholders to contact and make enquiries and must not extend special privileges to any particular group of stakeholders.
- 3.3 Disclose promptly the information presented in exclusive meetings such as roadshow and analyst presentations on the Company's websites and the channels provided by the SET after such meetings so that it becomes publicly available.
- 3.4 Treat each stakeholder group as the following guidelines:
  - (1) Investors
    - Treat all investors, both retail or institutional, equally.
    - Provide opportunity to retail investors for the same level of access to data as analysts and institutional investors.
    - Do not discriminate in accepting one-on-one meetings with institutional investors or investor groups.
  - (2) Analysts
    - Offer analysts from every securities company equal opportunities to attend Analyst Meetings arranged by the Company.

- Do not give any gift or reward to analysts with the intention to influence them to write analysis for the Company or write reports on the Company in a positive light.
- Respect the report and opinion of analysts. Should such a report of opinion includes or provides inaccurate information, IROs may offer clarifications.

(3) Media

- Give opportunity to the media equal access to accurate, clear, and pertinent information.
- Do not disclose information that is about to be publicly disclosed in the media to any specific media outlet in advance.
- Do not give any gift or reward to analysts with the intention to influence them to write groundless news or articles for the Company.

(4) Regulators

- Cooperate in providing vital and appropriate information when requested by regulators.
- Do not give any gift or reward to regulators with the expectation of special treatment in return.

(5) Internal parties

- Host activities occasionally so that the executives of the Company can meet different stakeholder groups as deemed appropriate.
- Report to the Board of Directors and the executives all useful information that helps add value to the Company such as results of investor relations activities, opinions of analysts and investors, and capital market movements.
- Communicate the Company's Investor Relations Code of Conduct to employees with responsibilities relating to investor relations so as to establish a uniform practice in alignment with that of IROs.

(6) Other stakeholders

- Accurately, sufficiently, timely, and equitably disclose information to other stakeholders. Should a disclosure be necessitated for certain business operations, utmost caution must be exercised to safeguard confidentiality.

**4. Performing duties with professional integrity**

- 4.1 Refrain from receiving gifts or rewards that may be construed as personal incentives or gains.
- 4.2 Avoid actions that constitute conflicts of interest with the Company such as the use of the Company's assets or information for personal gain.
- 4.3 Do not exploit their relationship or information obtained as IROs to seek personal gain.
- 4.4 Comply with SCG Packaging's policies and Code of Conduct and report to supervisors should noncompliance of the Investor Relations Code of Conduct arise.

## 2.3 Policies and Guidelines for Key Stakeholders

### 2.3.1 Stakeholders Engagement Policy

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

SCG Packaging has always paid close attention to the engagement of stakeholders. This is evident from the corporate philosophy of engaging in business based on morality and responsibility to society as well as being a good citizen, implementing the code of conduct as a basis of work of all employees, employing the good corporate governance as a principle of management and exercising the sustainable development of SCG Packaging.

Along with the changing of the society, environment, and business conditions, groups of stakeholders are more complicated and carry higher expectations of fair treatment and demand participation in the expression of opinions, process of decision-making, and governance of affected issues. The engagement of stakeholders is thus more important than ever. The meeting of the Board of Directors on December 16, 2019, has thus resolved to issue the Stakeholder Engagement Policy as a clear guideline for SCG Packaging's employees in conducting business so as to offer shareholders long-term value added as well as more concerns over the benefits of stakeholders of SCG Packaging.

#### Definition of Stakeholders

Stakeholders are persons or groups of persons who are directly or indirectly affected by a business operation of SCG Packaging, as well as those who may have interests in a business operation of SCG Packaging, or abilities to influence over the outcomes of a business operation of SCG Packaging such as customers, employees, communities, shareholders, business partners, government agencies, intellectual leaders, etc.

#### Stakeholder Engagement Policy

SCG Packaging is committed to acting as a good citizen of society, especially in every community where SCG Packaging has business operations. It honors the rights of stakeholders and treats them fairly, listens to their opinions and concerns, builds understanding with stakeholders, encourages co-operation constructively in matters that interest stakeholders, and takes part in developing society and environment so that SCG Packaging continues developing its business sustainably.

## **Guidelines for the Engagement of Stakeholders**

### **1. Determining, Identifying, and Analyzing Stakeholders**

Clearly determine, identify and categorize stakeholders taking into consideration the connection with each business unit in order to be able to analyze the risks and impacts, direct or indirect, incurred to each group of stakeholders comprehensively and clearly by bearing in mind that each group of stakeholders has its own set of perspectives and expectations. Different strategies and priorities of implementation thus need to be formulated for each respective group.

Determine material sustainable development issues that affect decision making, operations, and operational effectiveness of SCG Packaging or stakeholders. In the formulation of business strategy formulation, identify the relationships and materiality of issues to SCG Packaging and stakeholders.

Develop stakeholder maps to identify stakeholders and relevant parties in SCG Packaging and to understand the perspective of stakeholders, potential impacts, and expectations of each stakeholder group. These stakeholder maps will be used in designing means of responding to the needs of stakeholders as well as appropriate strategies and communication methods that will sustainably influence the operation of SCG Packaging.

Good relations with stakeholders should be initiated from the very beginning, that is, from the planning stage, so that plans can be adjusted or work procedures can be revised on time.

### **2. Adopting Communication Strategies**

Closely communicate and persistently build understanding with stakeholders in order to gain correct perception and lead to good relationship with and trust from stakeholders by adopting particular communication strategies, methods, formats, and procedures suitable to each group of stakeholders, situation, duration, and local culture. This may be determined by the degree of damage or the possible impact incurred from negligence or inaction.

### **3. Disclosing Information**

Disclose information accurately, explicitly, transparently, and comprehensively in order to assure that the stakeholders received sufficient, consistent, and timely information. For example, the disclosure of useful information should be done at the appropriate time, stated the real purpose of information and assured that there is a transparent process of reporting information to stakeholders.

However, in disclosing information, one should consider a factor of appropriateness and follow SCG Packaging's Disclosure Policy.

**4. Encouraging Participation**

Encourage stakeholders to participate in matters that affect them; provide channels for receiving suggestions, problems, and complaints from stakeholders; give priority; welcome opinions and exchange views (Stakeholder Dialogue) constructively in order to perceive ideas, expectations, and needs of stakeholders. In doing the Stakeholder Dialogue, one must recognize that differences of stakeholders may affect the opinions, e.g. age, gender, education, experience, attitudes, etc. Moreover, one should provide preliminary information prior to discussion, report outcomes of the discussion, disseminate reports to participants, and collect information systematically. SCG Packaging should also consider participating in giving opinions and identifying problems or obstacles to those having roles in regulating rules and orders which could pose an impact to the business operation of SCG Packaging.

**5. Managing risks related to stakeholder engagement**

Anticipate, identify, and prioritize risks related to stakeholder engagement in order to prepare plans to handle and manage potential risks from an constructive exchange of opinions with shareholders. Risks that should be considered include reluctance to participate, fatigue, dissatisfaction with SCG Packaging's responses, presence of reserved stakeholders among those who prefer to share their opinions, presence stakeholders who intentionally obstruct an exchange of opinions, presence of stakeholders who have not received information, presence of stakeholders who do not have leverage, technical problems, and conflicts among stakeholder groups.

**6. Reviewing and reporting**

Inspect and assess stakeholder engagement systematically to continuously enhance stakeholder engagement; develop action plans; foster cooperation between stakeholders and related parties in SCG Packaging, track the cooperation development process, and report to stakeholders. In addition, SCG Packaging must also disclose the overall results of its stakeholder engagement to the public, including obtained results, impact, and operation scopes, as well as demonstrate the relations between benefits from stakeholder engagement and SCG Packaging's operations.

**The Duty of the Management**

The duty of the management is to ensure efficient and effective stakeholder engagement operations in accordance with the policy by providing suitable resources, such as allocating budgets and assigning knowledgeable, skilled and sufficient person-in-charges, and by putting in place systems for taking suggestions from stakeholders, compiling information, monitoring progress, and conducting assessment. Information on stakeholder engagement will be integrated into the Company's corporate governance, strategies, and management at every level to create acceptance and develop sustainable business practices across the organization.

## **SCG Packaging's Policies and Practices towards Stakeholders**

SCG Packaging has established policies and practices for 12 groups of stakeholders as guidelines for its business operations, added value creation, and sustainable development, as detailed below.

### **Policies and Practices towards Stakeholders**

SCG Packaging places great importance on its shareholders. Accordingly, the Board of Directors, the executives and the employees of SCG Packaging are committed to carrying out business in line with the principles of good corporate governance and SCG Packaging's own business philosophy to ensure maximum benefits and long-term economic value for shareholders. The guidelines to achieve such purposes have thus been set forth as follows:

1. To operate the organization in accordance with SCG Packaging's corporate vision and corporate governance principles with honesty and prudence, and without conflict of interest, while creating good returns for every shareholder in a sustainable manner.
2. To respect the rights of shareholders and provide equitable and fair treatment to every one of them. Accordingly, to not perform any act that might violate or restrict the rights of shareholders.
3. To provide shareholders the right to propose the agenda of the Annual General Meeting of Shareholders and to nominate any qualified person to be a director with sufficient time in advance.
4. To provide shareholders with all significant details concerning the Shareholders' Meeting and the Meeting agenda items to be considered by the shareholders with sufficient time in advance.
5. To prevent the directors, executives, and employees in the involved departments as well as their spouses and children from making use of inside information for their own benefit or that of others, which is considered shareholder exploitation, before disclosure to the public.
6. To assign independent directors to take care of minor shareholders and to receive complaints or suggestions from shareholders through easily accessible channels established by the Company.
7. To establish efficient measures for internal control, internal audit, and risk management.
8. To disclose the Company's significant information, financial reports, and operating results on an accurate, complete, timely, transparent, and reliable basis through easily accessible channels to consistently keep shareholders abreast of the Company's operating performance.

## **Policies and Practices towards Employees**

SCG Packaging firmly believes that employees are its most valuable assets and a vital contributing factor to the Company's success. As a consequence, the Company treats employees fairly with respect to human rights in accordance with SCG Packaging's human rights policy and with concern for their needs. The goals are to foster a good relationship between the Company and its employees, to promote ongoing development of employees' skills and potential, and to provide job security and career advancement. The guidelines for practice toward employees are as follows:

1. To recruit employees through a fair and efficient selection system and employment conditions to find "smart and ethical" employees having strong qualifications and integrity to join the Company.
2. To treat employees with sensitivity and fairness while paying due respect to their personal rights, protecting these rights from being violated. Likewise, to support and respect the right of employees to express their opinions independently.
3. To provide channels for employees to file grievances and report any act of impropriety in violation of the SCG Packaging's Code of Conduct as well as to protect the complainant from retribution or penalty related to filing a complaint (Whistleblowing Policy).
4. To provide employees in every field of work and at all levels sufficient and continuous professional development appropriate for their duties and responsibilities and to instill ethical awareness into every employee.
5. To promote and encourage working as a team to create unity and to raise employees' awareness about work discipline.
6. To evaluate employees' performance and provide fair remuneration on the basis of the suitability, capability, and competence of each individual. The Company is also committed to providing fair and appropriate benefits to employees. The benefits will be constantly improved to keep them on a par with those of leading companies in the same industry.
7. To raise awareness and promote employees' occupational health and safety while maintaining a congenial work environment that enables employees to feel like being part of a family.
8. To operate in compliance with internationally accepted occupational health and safety standards as well as environmental management standards.
9. To encourage employees to find a balance between personal life and work.
10. To provide channels where important information can be disclosed to employees to keep them informed of the operations and operating results of all SCG Packaging's business units.

### **Policies and Practices towards Customers**

SCG Packaging pledges to ensure that its products and services offer maximum benefits and complete satisfaction in terms of quality and fair price to customers. Likewise, the company pledges to develop and maintain a sustainable relationship with customers. The practice guidelines are as follows:

1. To deliver products and services that address the needs of consumers and the general public and to play a part in contributing to better quality of life and the sustainable development of society.
2. To constantly drive innovation and research & development to generate high quality, high value-added products and services that meet the needs of customers in multiple ways.
3. To develop environmentally-friendly products and services with a focus on resource-efficiency, energy-efficiency, recyclability, and long life of service.
4. To produce safe, reliable products and services as well as to give accurate and adequate information about them to customers.
5. To store customers' information safely and systematically, and to refrain from abusing the information.
6. To set the prices of products and services at reasonable rates.
7. To implement a quality management system that matches international standards.
8. To set up a customer support office to provide product information, advice, and solutions to problems, while also handling complaints, to ensure customers' highest satisfaction in both products and services

### **Policies and Practices towards Suppliers**

SCG Packaging always obeys fair competition standards and strictly complies with all contractual obligations, the SCG Packaging's Code of Conduct, and all promises to suppliers. The guidelines are as follows:

1. To determine and establish fair and reasonable prices by taking into account the reasonableness of the offered prices, quality, and service levels and to be able to provide appropriate reasons during any audit.
2. To pay suppliers accurately and on time.
3. To establish clear procurement regulations.

4. To operate business sustainably and transparently by complying with all the terms and conditions agreed upon in a transaction and treating all involved parties fairly.
5. To refrain from demanding or accepting any improper benefits from suppliers.
6. To pay regular visits to suppliers to exchange ideas and listen to their suggestions or advice on improvement.
7. To support procurement of eco-friendly and community products.
8. To refrain from purchasing products from suppliers that violate human rights or intellectual property law.
9. To refrain from disclosing information of suppliers to others without their prior consent.
10. To refrain from dealing in any business with any supplier that carries out illegal acts or acts against public order and good morals.
11. To provide support and encourage suppliers to adopt the principle of sustainable development through social and environmental responsibility in their business operations, in accordance with SCG Packaging's Supplier Code of Conduct.

#### **Policies and Practices towards Business Contractors**

SCG Packaging assists its contractors with respect to human right standards, environment, work safety, and remuneration. Furthermore, the Company is resolved to develop the capabilities and knowledge of contractors both related to work and beyond to enable them to work more efficiently. The guidelines are as follows:

1. To determine appropriate and fair remuneration and ensure that the amount of remuneration paid by the contractors to their workers shall not be less than the wage rate stipulated by law.
2. To promote safety awareness among contractors and oversee a safe work environment in their operations.
3. To open up opportunities for contractors to meet with executives to listen to their opinions and concerns so they can work more efficiently to achieve goals.
4. To encourage contractors to develop their knowledge to ensure maximum work efficiency.
5. To provide support and encourage contractors to adopt the principle of sustainable development through social and environmental responsibility in their business operations, in accordance with Supplier Code of Conduct of SCG Packaging.

### **Policies and Practices towards Joint Venture Partners**

SCG Packaging respects the rights of joint venture partners and treats every partner equitably and fairly. It also promotes fair treatment of relevant parties in the business operations in accordance with the Company human rights policy. In addition, the Company works collaboratively with joint venture partners to ensure that the joint ventures achieve the shared goals. The relevant guidelines are as follows:

1. To collaborate with joint venture partners in supporting and strengthening the joint venture operations.
2. To encourage the exchange of ideas and suggestions with the joint venture partners and to jointly define the business plans to ensure the sustainable growth and development of the joint ventures.
3. To monitor the operations of the joint ventures in order to ascertain that they comply with the law and the sustainable development approach.
4. To work with the joint venture partners in allocating profits from the joint ventures in a fair and transparent manner.
5. To refrain from taking advantage of the joint venture partners in any way.

### **Policies and Practices towards Creditors**

SCG Packaging has a policy to treat its creditors equitably, fairly, and transparently with commitment to strictly comply with all terms and conditions agreed upon. The guidelines are as follows:

1. To enter into contract with all types of creditors legally, equitably, fairly, and transparently without taking advantage of the contract party.
2. To refrain from resorting to dishonest means or concealment of any information that might harm the Company's creditors.
3. To strictly abide by any term or condition stated in any contract entered into with all types of creditors accurately and straightforwardly.
4. To repay loans and interest in full to all types of creditors on time as agreed upon.

### **Policies and Practices towards the Community**

SCG Packaging conducts business with respect to human rights and equitable treatment to others, commitment to fairness to all stakeholders, and concern for social responsibility. SCG Packaging also provides constant support to activities that contribute to the improvement of living standards and the development of the communities and societies in which it operates, both in Thailand and the ASEAN countries. It also encourages employees and other concerned parties to be good citizens contributing to communities and society. The guidelines are as follows:

1. To support and provide proper assistance to society and communities, especially the communities surrounding SCG Packaging's plants.
2. To preserve the environment nearby the communities and to control and manage waste from the production process and general consumption as well as contamination released into the environment through the use of efficient technology and close monitoring.
3. To promote and support carrying out of activities/projects designed to develop the potential and capabilities of youths in the areas of education, science, technology, sports, and art as well as instilling ethics and morals into young people so they are both smart and ethical individuals.
4. To support activities/projects dedicated to providing immediate assistance to those affected by disasters and to improve the potential and living standard of people in the society through various efforts such as career development and building strong communities to enable people to become self-reliant sustainably.
5. To support medical and public welfare activities/projects to enable people in local communities and society at large to have better health and better quality of life.
6. To promote and support activities in the areas of art, cultural heritage preservation, and sustaining religion as appropriate.
7. To provide support to foundations and charitable organizations to help and provide opportunities to the disenfranchised in society, empowering them to lead better lives. This support also extends to organizations carrying out activities beneficial to human resources development.
8. To open up opportunities for communities and other stakeholders to take part in the activities/projects, to voice their opinions and suggestions, or to file complaints as a result of SCG Packaging's operations, with the goal of allowing industry and the community to coexist sustainably

#### **Policies and Practices towards Government Agencies**

SCG Packaging places great importance on government agencies as stakeholders of the Company. Guidelines for engaging in transactions with government agencies are defined in SCG Packaging's Code of Conduct to allow employees to proceed appropriately and in compliance. The Company also cooperates with government agencies, providing technical assistance and support for various activities. The guidelines are as follows:

1. To strictly abide by applicable laws and regulations and keep in mind that laws, regulations, cultures, and traditions in each locale may have different conditions, procedures, or practices.
2. To refrain from influencing government officers to abet and collude in improper acts.
3. To build a body of knowledge in community development for government agencies such as local administration organizations.
4. To provide support to activities undertaken by government agencies
5. To participate in meetings to share ideas, support and provide technical assistance on a continuous basis.
6. To receive visits from government agencies.
7. To receive comments and suggestions from government agencies.

#### **Policies and Practices towards the Media**

SCG Packaging stresses the importance of disclosing information to the media so they can communicate the information to the public accurately and rapidly. The guidelines are as follows:

1. To disclose information to the media equitably. The information must be accurate, clear, and right to the point.
2. To communicate information on a quick and timely basis.
3. To provide opportunities for the media to closely meet and talk with top executives.
4. To facilitate the media to get in contact with the Company.
5. To establish good relationships with the media through various activities such as business and plant visits to allow the media to observe the production process and plant management as well as obtain accurate information.

#### **Policies and Practices towards the Civil Society Sector, Academia, and Opinion Leaders**

SCG Packaging conducts business with concern for social responsibility and all stakeholders. In addition to full and accurate disclosure of information, SCG Packaging is also open to comments and suggestions from every part of the civil society sector to ensure a shared approach to operating business sustainably alongside social and community development. The guidelines are as follows:

1. To disclose information regarding business operations transparently and verifiably.
2. To disclose information in the annual report, sustainability report, articles and news releases, as well as in the form of electronic documents and information.
3. To carry out business with concern for impact on the environment and the community and to encourage involved persons to take part in protecting the environment.
4. To collaborate with the agencies concerned to foster a relationship with the community and promote community involvement.
5. To receive comments, suggestions, or complaints from the concerned parties to find means for collaboration and to meet the needs of all stakeholders.

#### **Policies and Practices towards Competitors**

SCG Packaging has a policy to treat competitors fairly within the framework of honest competition. The Company is committed to carrying out business fairly in compliance with the law and SCG Packaging's Code of Conduct and with concern for trade ethics and antitrust laws. The guidelines are as follows:

1. To operate under a fair competition framework and applicable laws ethically and transparently and to refrain from taking advantage of competitors unlawfully.
2. To refrain from obtaining confidential information through fraudulent or improper means.
3. To refrain from violating the intellectual property rights of competitors.
4. To refrain from attacking and destroying competitors' reputations by defaming them with any false statement.
5. To promote and support free trade and avoid entering into any agreement with competitors that may reduce or restrict competition.

### **2.3.2 Dividend Policy of the Company and its Subsidiaries**

(Resolution of the meeting of the Board of Directors no. 211 (7/2019) on August 5, 2019, effective from August 5, 2019)

SCG Packaging Public Company Limited (“Company”) states its policy to pay dividend at not less than 20 percent of its net profit on consolidated financial statements after payment of corporate income tax and deduction of all reserves as required by laws and the Company’s provisions in each year. Said ratio could be changed upon the operating performance, financial structure and financial health, liquidity, additional investment necessity, investment plan, business expansion, reserve for loan repayment or working capital of the Company, terms and conditions stated in loan agreements and other factors pertaining to management.

Dividend policy of each subsidiary will be as resolved by its board of directors and approved by the annual general meeting of shareholders unless it is an interim dividend which the Board of Directors is authorized to approve when it considers that there is sufficient amount of profit to do so in accordance with laws of the country where the subsidiary is registered and the Board of Directors shall report for information at the next general meeting of shareholders. The Board of Directors of the subsidiary will consider its dividend payment by taking into account various factors for the main benefits of shareholders such as operating performance, financial structure and financial health, liquidity, additional investment necessity, investment plan, business expansion, reserve for loan repayment or working capital of the subsidiary, terms and conditions stated in loan agreements and other factors pertaining to management as deemed appropriate by the Board of Directors/ and or shareholders, as the case may be.

### **2.3.3 Policy and Guidelines for the Procurement and Selection of Vendors of SCG Packaging**

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

The meeting of the Board of Directors No. 216 (12/2019) on December 16, 2019, has resolved to approve the setting up and disclosure of the Procurement and Vendor Selection Policies and Guidelines of SCG Packaging to ensure that the selection process of SCG Packaging will be systematic, fair and transparent. SCG Packaging endorses vendors who are committed to ethical business practices and responsibilities toward society and environment and will not conduct transactions with any person who is involved in illegal or fraudulent activities or is suspected to do as such.

#### **Definitions**

**Procurement** means the purchase, hire of work, outsource service, transportation service, lease and hire purchase.

**Vendor** means a seller/supplier, contractor, service provider, lessor or hire purchase provider who delivers goods or services to SCG Packaging.

**Vendor List** means a list of Vendors who conduct transactions with SCG Packaging and whose names are listed in SCG Packaging's system.

**Approved Vendor List** means Vendors listed in the Vendor List who have undergone SCG Packaging's selection and performance evaluation processes for the relevant goods and service categories.

**SCG Packaging** means SCG Packaging Public Company Limited and the subsidiaries of SCG Packaging Public Company according to the consolidated financial statement.

#### **Procurement and Vendor Selection Policies of SCG Packaging**

SCG Packaging will conduct its Procurement in a systematic manner according to the strict controlled procurement regulations of SCG Packaging, taken into account the needs of SCG Packaging in terms of quality, price, quantity, time, service, delivery, after-sale service, warranty, and other requirements. SCG Packaging will not conduct transactions with any person who is involved in illegal or fraudulent activities or is suspected to do as such.

SCG Packaging's Vendor Selection shall be systematic, fair and transparent. SCG Packaging also endorses Vendors who are committed to ethical business practices and responsibilities toward society and environment.

### **Qualifications of SCG Packaging's Vendors**

1. The Vendor shall be a manufacturer, entrepreneur, dealer, service provider or contractor, who has verifiable business facilities.
2. The Vendor shall have reliable staff, machinery and equipment, products, services, warehouses, financial status and performance records.
3. The Vendor shall agree to comply with SCG Packaging's Supplier Code of Conduct
4. The Vendor shall have satisfactory performance records, which will be evaluated by SCG Packaging on the basis of the quality of goods and services, including the delivery, after-sale services, warranty or other transactional requirements.
5. The Vendor shall have no conflict of interest with SCG Packaging's business.
6. The Vendor shall never been banned from doing business due to fraudulent conducts.

### **Application for Vendors of SCG Packaging**

1. Prospective vendors can submit an application form provided by SCG Packaging together with detailed information and supporting documents, which include a registration certificate or identity certificate, other certificates issued by government authorities, power of attorney documents, bank account numbers and copies of registration certificates issued by the Department of Revenue such as a copy of the Certificate of Value Added Tax (Por Por 20). The application form and supporting documents shall be submitted to SCG Packaging's procurement unit.
2. SCG Packaging's Vendor shall sign its agreement to comply with SCG Packaging's Supplier Code of Conduct.

### **Business Transaction Procedures with SCG Packaging**

1. SCG Packaging only deals business with Vendors listed in the Vendor List, except for the cases of a price quotation or a tender where the non-listed Vendors may be invited to submit a quotation or tender and can apply for a Vendor status thereafter if selected. SCG Packaging may ask its Vendors to agree to electronic transactions in accordance with the applicable electronic transactions laws for convenience and speed of the transactions.
2. A written purchase order or an agreement between a Vendor and SCG Packaging will be considered constituting the transactional obligations between both parties.

3. For submitting a price quotation or entering into an agreement, SCG Packaging may request in writing a performance bond from the Vendor, which will be returned after all transactional obligations are completed
4. Upon the completion of their obligations under an agreement, contract or purchase order, Vendors shall submit the relevant tax invoices, receipts and/or other necessary supporting documents to SCG Packaging for payment at the time and place specified by SCG Packaging. This is to provide convenience and speed of operation for all work units. SCG Packaging will pay the Vendors for the prices of the delivered goods/services after deducting the withholding tax required by laws, and other expenses incurred as stipulated by the government and under the agreement such as a performance bond. The payment will be transferred into the bank account notified by the Vendors unless a cheque payment is requested. SCG Packaging reserves the right to issue only account payee cheques.
5. Vendors may request an amendment of their data in the SCG Packaging system by contacting SCG Packaging's procurement unit and submitting supporting documents certified by the Vendors' authorized person.
6. Vendors may file a complaint on unfair treatment under the SCG Packaging's Corporate Governance Principles through the specified channel at SCG Packaging's Whistleblowing System, <https://whistleblower.scgpackaging.com>.

#### **2.3.4 SCG Packaging's Supplier Code of Conduct**

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

SCG Packaging has developed the Supplier Code of Conduct in order to develop correct understanding among suppliers of SCG Packaging and to serve as a mutual business standard to be adopted. SCG Packaging's Supplier Code of Conduct comprises the five following principles.

- 1) **Business ethics:** Conduct business with honesty; uphold fairness for all stakeholders; disclose correct and complete information; protect confidentiality; and respect intellectual properties of others.
- 2) **Labor and human rights:** Do not discriminate; attach importance to labor protection, especially child labor, women's labor, and alien labor; do not use or exploit forced labor; and ensure correct and fair remuneration, benefits, and work periods.
- 3) **Occupational health and safety:** Keep the work environment hygienic and safe; control risks of accidents and potential health impacts while on duty; and provide sufficient and ready personal protective equipment.
- 4) **Environment:** Conduct business with consideration to impacts on natural resources and the environment as per the principles of 3Rs: namely reduce, reuse/recycle, and replenish.
- 5) **Laws and regulations:** Abide by all applicable laws, rules and regulations.

"SCG Packaging" refers to SCG Packaging Public Company Limited and subsidiaries of SCG Packaging Public Company Limited according to the consolidated financial statements.

## Part 3: Appendix

### **3.1 Definitions**

**SCG Packaging** means:

- 1) SCG Packaging Public Company Limited; and
- 2) The subsidiaries of SCG Packaging Public Company Limited.

**The Company** means SCG Packaging Public Company Limited.

**Subsidiaries** mean the subsidiaries according to the consolidated financial statements of SCG Packaging Public Company Limited.

**The Board of Directors** means the Board of Directors of SCG Packaging Public Company Limited.

**Employees** mean any persons entering into hire- of- service contracts or special contracts with SCG Packaging.

**Stakeholders** mean any persons having relations with SCG Packaging in various aspects such as the Company's directors, employees, shareholders, counterparties, contractors, persons involving in the Company's businesses, creditors, debtors, society and communities surrounding factories.

## Environment and Climate Policy SCG Packaging Public Company Limited (Revision 1)

With commitment to be a leading regional packaging company offering solutions through innovative products & services and sustainable business practice, SCG Packaging Public Company Limited (SCGP) realized the importance of environmental and climate management as key drivers in sustainable growth of our business. SCGP has therefore chartered this policy that revise from SCGP Environment and Energy Policy announced on 19 February 2021, in order to ensure its efficiency and effectiveness of our environmental and climate management

The policy outlined herewith shall be applied to all production operations, business facilities, business partner in value chain and joint venture: from designing, procuring, manufacturing, providing services and solutions, distribution and logistics, and managing of wastes and end of used products. This policy shall also be applied to suppliers, contractors and service providers both tier 1 and non-tier 1; other key business partners such as non-managed operations, joint venture partners, outsourcing partners, new project, modification project, due diligence of mergers and partnership of SCGP both domestic and overseas with the following:

1. Conduct the business in compliance with regulatory requirements as a minimum including alignment with global issues and response to local concerns in line with SCGP Sustainable Development Policy and other policies.
2. Operate business with minimize the environment impacts by cause of setting ambitious targets that supporting environment protection, climate change mitigation and adaptation that align with the Paris Agreement challenge targets toward SCGP's intention to achieve net zero by 2050. These shall include sustainable use of natural resources, energy and water through eco-efficiency and circular economy, reduce emission, effluents and waste both hazardous and non-hazardous with commitment to zero waste to landfill, avoid the use of hazardous chemicals and substances, protecting of biodiversity and ecosystems with commitment to nonet deforestation and net positive impact on nature, sustainable supply chain management, green procurement, and green and eco products, services and solutions.
3. Implement the environmental management system as a part of business operation along with continual improvement and audit of its management system to enhance environmental performance.
4. Identify materiality issues and develop an environment and climate management that is accompanied by key performance indicators and strategies driving to achieve their performance targets.
5. Be open, transparent and accountable to our stakeholders regarding our environment and climate performance and regularly reporting.
6. Provide adequate training for employees to realize the environmental impact caused by their working activities, while incubating environmental mindset on protection of environment with easy access channels.
7. Announce and deploy this policy through appropriate measures to raise knowledge and awareness on environmental impact and climate management among employees, customers, suppliers, contractors and others related stakeholders.

To ensure that this Environment and Climate policy is embedded in our organizational culture and put into action, all companies shall adapt this policy to suit their business according to SCGP Vision.



Wichan Jitpukdee

Chief Executive Officer and Board of Director  
SCG Packaging Public Company Limited

23 June 2022



# The Way of the Better World





SCGP with the “SCG ESG Pathway”  
aims to present sustainable products, services, and solutions  
for the Better World

## Our Act for the Better World

### Listed in THSI and SETTHSI Index

Selected to be included in the list of Thailand Sustainability Investment (THSI) for the Year 2022 and the SETTHSI index



### SET Awards

Received the Best Sustainability Awards and Best Innovative Company Awards from the SET Awards 2022.

### Participating in the United Nations Global Compact

Joined the United Nations Global Compact (UNGC) as a participant on June 7<sup>th</sup>, 2022 and committed to its principles as a participant to address climate change and protect the environment.



### Received certification as a Certified Company from CAC

Received certification as a Certified Company from the Thai Private Sector Collective Action Against Corruption (CAC) on March 31<sup>st</sup>, 2022.

### Member of Carbon Neutral Network Thailand

As a member of the Climate Leading Organization, we have declared our commitment to reduce greenhouse gas emissions in support of Thailand's policy and the global Paris Agreement.



### Selected to be ranked in the FTSE4Good Index Series

Demonstrated a strong and robust Environmental, Social, and Governance (ESG) issues practices.

### Top 1% of the World

As a result of the 2022 Corporate Sustainability Assessment (CSA) in the Containers & Packaging Industry by S&P Global



### Industry Mover

As an Industry Mover in Container & Packaging Industry from the 2022 CSA by S&P Global



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# Talk with CEO



“

SCGP is committed to sustainable business management in the Environmental, Social, and Governance (ESG) dimensions to achieve its set goals.

”

## In 2022, how was the progress on ESG initiatives?

SCGP is committed to conducting business sustainably and continuously improving its service channels and solutions for all customer groups. The company's Board of Directors has set ESG targets for both the year 2022 and the middle-to-long-term (3-5 years) taking account of the ESG Pathway.

For the environmental aspect, in 2022, the company has continued to implement strategies to reduce greenhouse gas emissions 20% by 2030 and reduce the use of external water sources 35% by 2025. The company will also aim to reduce energy use 13% by 2025 and not dispose of waste from production processes in Thailand in landfills or dump sites. Over the past years, SCGP has been successful in reducing greenhouse gas emissions by 12.7%, reducing energy use by 6.8%, reducing the use of external water sources by 28% and achieving zero waste from production processes in Thailand to landfill.

For the social dimension of SCGP, the board of directors reviewed the Diversity and Inclusion Policy to enhance the understanding of its policy among employees, business partners, and stakeholders that promotes equality, respect for diversity and increased acceptance of individual differences. Additionally, the company added content to the Life Saving Rules to cover the use of drugs from opium, marijuana, and cocaine to regulate the work of employees and business partners, both in Thailand and abroad, ensuring their well-being and safety, and protecting their property. Currently, the Life Saving Rules are applied to all SCGP factories. Regarding human rights issues, SCGP continues to assess risks that may impact human rights both internally and externally and aim to cover 100% of significant risks along the value chain. This will further reduce the risk of human rights violations in the future and protect the values of SCGP.

The corporate governance of SCGP follows the SCGP Corporate Governance Guidelines and SCG Code of Conduct throughout the organization.

In 2022, there were no violations of laws, regulations, and ethical principles that had significant impacts. The company also built trust in its business with partners based on fairness and good cooperation. The Supplier Code of Conduct was introduced and in 2022, 100% of significant suppliers signed and participated in this code of conduct, which enhances and promotes the suppliers' corporate governance.

## **What is the direction of ESG works in 2023?**

SCGP remains committed to sustainable business management in the Environmental, Social, and Governance (ESG) dimensions to achieve its set goals. In the environmental aspect, SCGP will increase the use of renewable energy sources and reduce 20% of greenhouse gas emissions by 2030 compared with the base year 2020. Data collection on greenhouse gas emissions will also be expanded to cover its suppliers and business partners. The company will also improve energy efficiency by upgrading its boilers to meet set standards, with a goal to reduce energy use 13% by 2025. Water conservation will also be promoted through innovation and reduction in water usage within its factories. Waste management will maintain the target of zero waste from the production process in Thailand to landfill.

In the social dimension, SCGP will promote gender diversity within its leadership structure by supporting more women in management positions through various human resources programs. The company will also assess human rights risks in its operations more extensively and encourage its suppliers to comply with Supplier Code of Conduct. SCGP will continue to provide business consultations and foster innovation with partners to align with business growth strategies and meet customer needs.

## **What is SCGP's business strategy for 2023?**

For 2023, SCGP's business direction will focus on maintaining growth with quality and sustainability by expanding the business through mergers and partnerships, as well as synergizing and enhancing existing businesses. The company will also aim to access new related businesses and markets, particularly in the consumer goods sector, such as lifestyle-related products, food and beverages, and health and medical products, which are essential in daily life.

SCGP will prioritize customer centricity and collaborate with customers in developing innovative and value-adding packaging solutions that cater to consumers' lifestyles. The company will also focus on improving production efficiency to reduce costs and increase productivity continuously.

The development of personnel capabilities and competencies to manage the organization in line with business growth and various risks will also be emphasized. The company will advance its business in line with ESG principles for a sustainable world.



(Wihan Jitpukdee)  
CEO and Chairman of  
ESG Committee





# OUR BUSINESS

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# SCGP Business Overview

## Vision, Purpose, Mission, and Strategy.

SCGP has four core values in conducting business: Adherence to Fairness, Dedication to Excellence, Belief in the Value of the Individual, and Concern for Social Responsibility. Our vision is **to be A leading multinational consumer packaging solutions provider through innovative and sustainable offerings**. Focused on the following missions:

- Enhancing customers' brand and their supply chain efficiency customer satisfaction through services and innovation for product reuse
- Continuing business expansion both domestically and internationally, as well as enhancing product diversity and customer base to capture benefits from regional macroeconomic growth and consumer expenditures; and
- Committing to undertaking proactive actions in sustainable development and being the leader in the circular economy in the ASEAN.

SCGP's long-term purpose is **to create growth in people and business for a better world** by conducting sustainable business consistently with ESG (Environmental, Social, and Governance) and the Circular Economy principles. This aims to optimize the use of resources, raw materials, and products while preserving their value through reduction, reuse, and recycling, to solve limited natural resource issues and waste problems. This approach enhances the company's competitiveness and fosters sustainability.

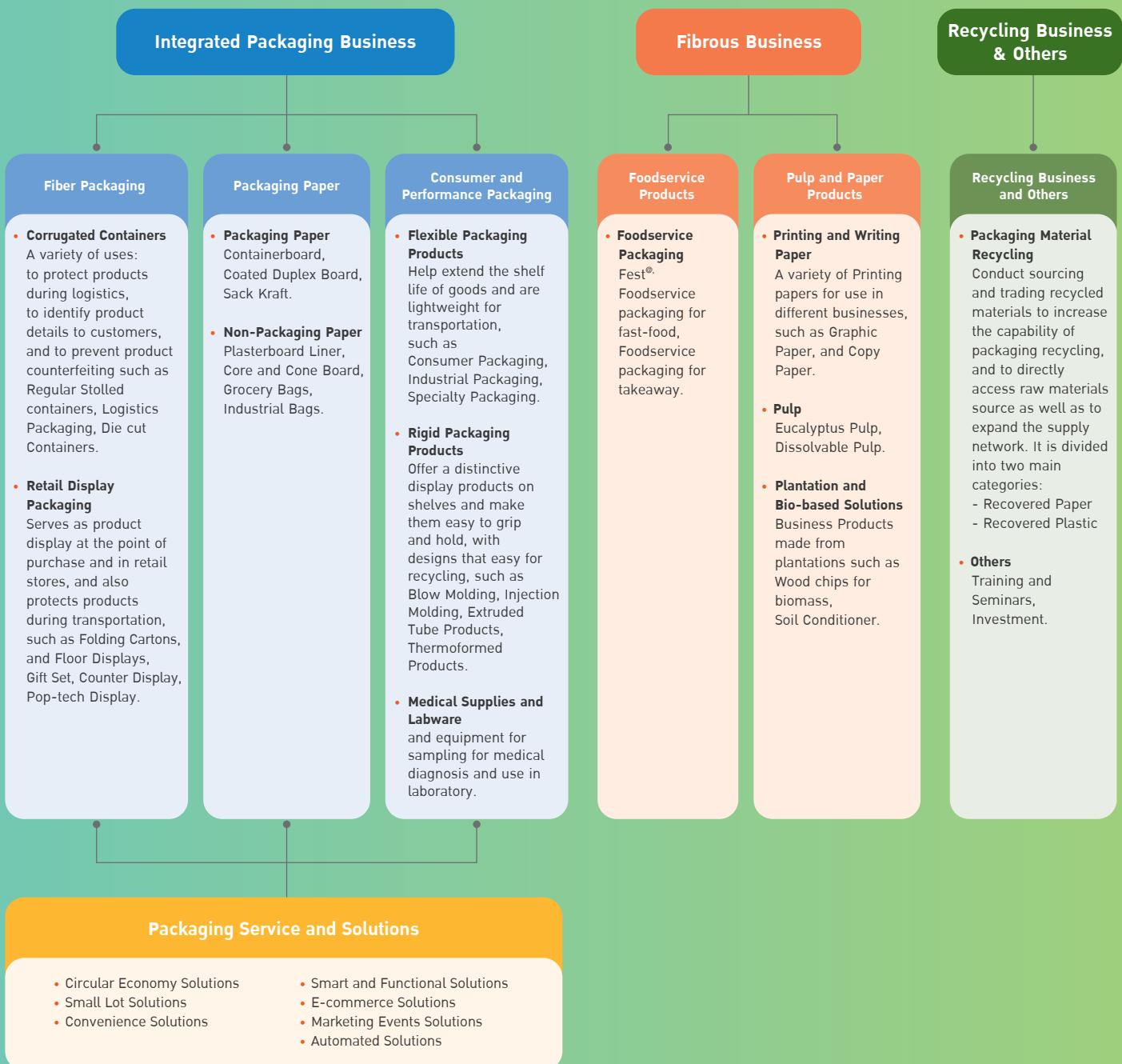
## SCGP's Business Strategy

- Pursuing quality growth through merger & partnership and organic expansion.
- Aiming to become a top-of-mind packaging in solution provider through innovations and sustainable products/services in response to e-commerce mega-trend.
- Achieving operational excellence.
- Operating businesses based on the principle of sustainable development in line with ESG (Environmental, Social, and Governance) concepts.



# Nature of Business

SCGP is organized into 3 main operating segments:  
 Integrated Packaging Business, Fibrous Business,  
 and Recycling Business, & Others.



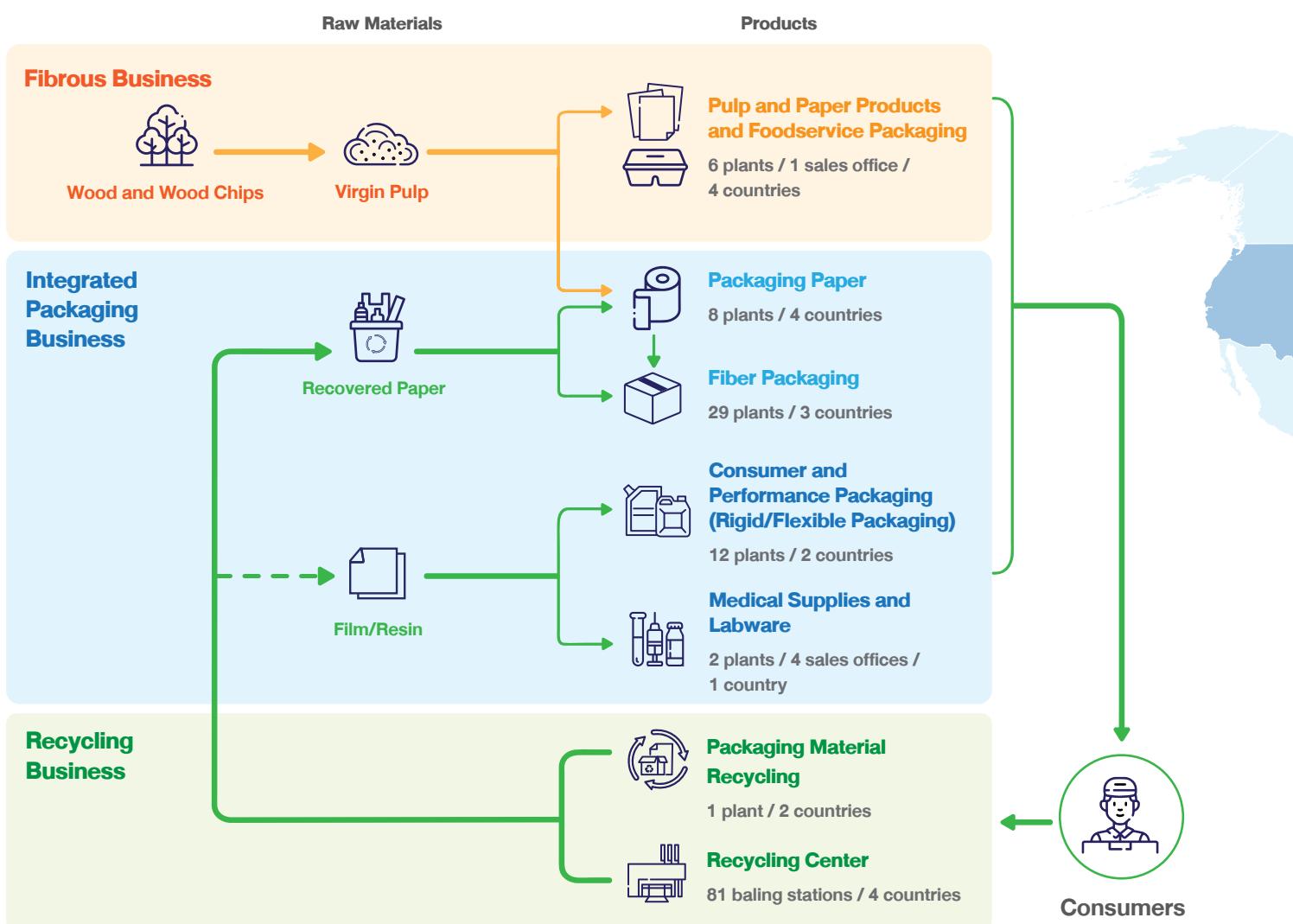
# SCGP Products and Solutions

SCGP focuses on all operations across the packaging value chain, from managing raw materials, improving efficient production processes, and delivering products on time to meet diverse customer needs for Primary, Secondary, and Tertiary Packaging and Promotional & Display Packaging for marketing purposes. They use various types of materials like fiber-based or polymer-based and offer additional services including design, printing, and other innovative solutions as per customer requirements.

With the ability to manage supply chains efficiently and the commitment to ESG (Environmental, Social and Governance), circular economy, and stakeholder capitalism that prioritizes the well-being of all stakeholders, SCGP is able to meet the needs of customers through its expertise and integrated business strategies.

The diagram below illustrates the comprehensive and valuable value chain of the company's integrated production process.

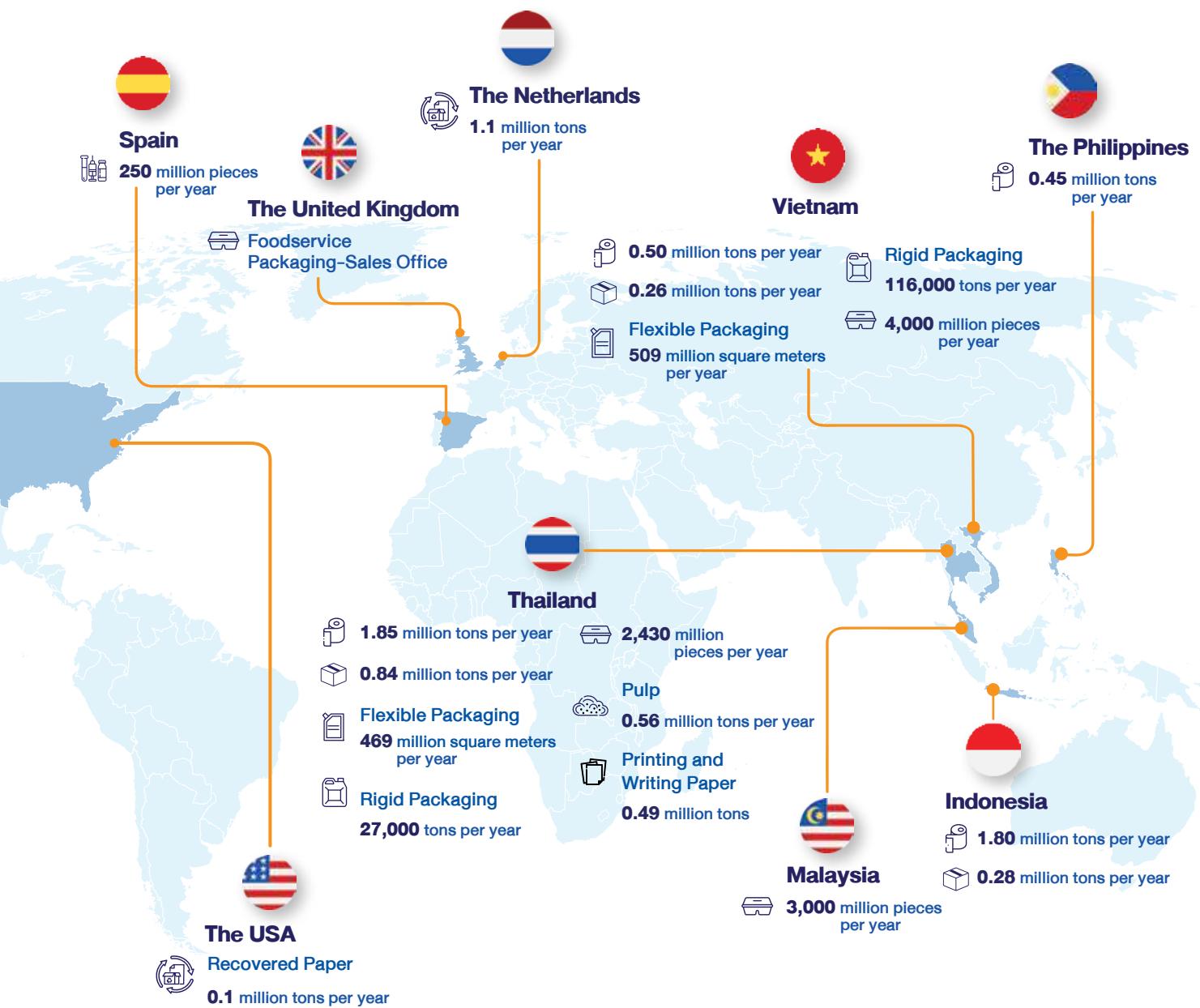
## Total Packaging Solutions



# Business Operation Based on Geographical Area

In 2022, SCGP's business operations spanned the entire ASEAN region and extended into countries with potential outside the region. The company has 57 production plants in 9 countries, including Thailand, Vietnam, Indonesia, the Philippines, Malaysia, the United Kingdom, Spain, the Netherlands, and the USA, promoting a comprehensive and integrated business model. This strengthened the overall company, creating synergies between subsidiary companies and expanding market access in the rapidly growing regions of ASEAN, Europe, and North America.

The map below shows the location of the production plant and sales office of the company as of December 31<sup>st</sup>, 2022.

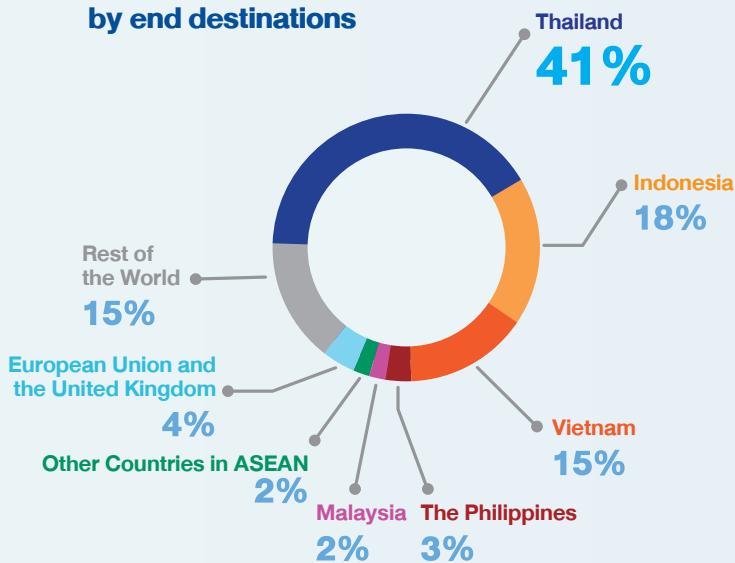


# ESG Highlight Performance 2022

## Sales Revenue

**146**  
(Baht billion)

### Consolidated sales by end destinations



### EBITDA

**19**  
(Baht million)

### Production facilities

**57**  
Sites



### No. of Employees (Thai / Aboard)

**8,960 / 13,329**  
Employees

### Green Procurement Purchased

**4,883**  
(Baht million)



**8.29%** of total procurement purchased

**16**  
Products



**"SCG Green Choice"**  
products, services,  
and solutions

**61**

Products

### Environmental-related expenses and investments



**1,315**  
(Baht million)



### Investment and expense in research & development, and Innovation

**522**  
(Baht million)



### Waste from production processes in Thailand to landfill

**0**  
Ton

### Reduction of waste disposal by incineration without energy recovery in Thailand



**99.95%**  
Compared with the base year of 2014

### Water Withdrawal Reduction

**28.3**  
Million Cubic Meters

**28.0%**  
Compared with Business As Usual (BAU) at the base year of 2014



### Proportion of Recycled water

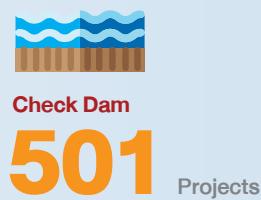
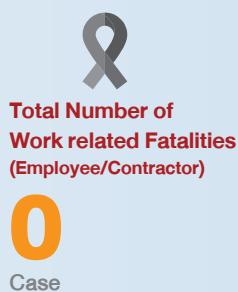
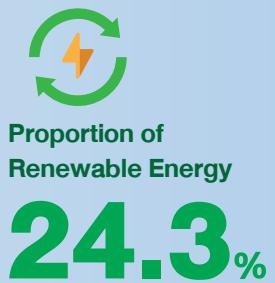
**16.3%**



Compared with the base year of 2020,  
both Thailand and abroad



Compared with Business  
As Usual (BAU) at the base year of 2007



# Awards and Achievements 2022



- SCGP has been invited to participate in **the Dow Jones Sustainability Index (DJSI)** as a result of the 2022 Corporate Sustainability Assessment (CSA) in the Containers & Packaging Industry by S&P Global for the first time. Based on the result announcement on February 7<sup>th</sup>, 2023, SCGP received a total score of 86, representing the Top 1% and Industry Mover of the Containers & Packaging Industry.
- SCGP has been selected to be included in **the THSI (Thailand Sustainability Investment)** list for the year 2022 and the SETHSI index for the second consecutive year. The company also received two SET Awards, in the category of **the Best Sustainability Awards** from the Sustainability Excellence Awards group and **the Best Innovative Company Awards** from the Business Excellence Awards group. This reflects SCGP's commitment to conducting business in line with ESG principles to increase the company's resilience and sustainability.
- SCGP has joined **the Science Based Targets initiative (SBTi)**, which is a collaboration between global organizations and currently has more than 2,000 leading companies worldwide participating in the program. The goal is to set targets for reducing greenhouse gas emissions based on scientifically accepted and internationally recognized standards, and aligning with the goals of the Paris Agreement. The initiative seeks to establish targets and find ways to reduce the impact of climate change.
- SCGP is one of the first 30 companies in Thailand to receive **the CIRCULAR MARK** certification for the environment for 5 leading products, including Idea Green copier paper, consumer paper bags, Fest Bio, Laminated Mono-material (R1) and pet shampoo bottles made from 100% PCR HDPE plastic. This demonstrates the company's leadership in the Circular Economy among Thai and international businesses and certifies the quality of environmentally-friendly and circular-economy-focused products and packaging. The production process is environmentally friendly and involves the proper collection and recycling of waste materials.
- Thai Containers Group Co., Ltd. factories in Pathumthani, Ratchaburi, Songkhla, and Saraburi has received **the Product Carbon Footprint label** certification for 37 corrugated containers categories from Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), which demonstrates the company's commitment and responsibility to participate in sustainable energy conservation efforts by reducing resource use and improving production processes for better efficiency, in preparation for and compliance with domestic and international tax regulations.

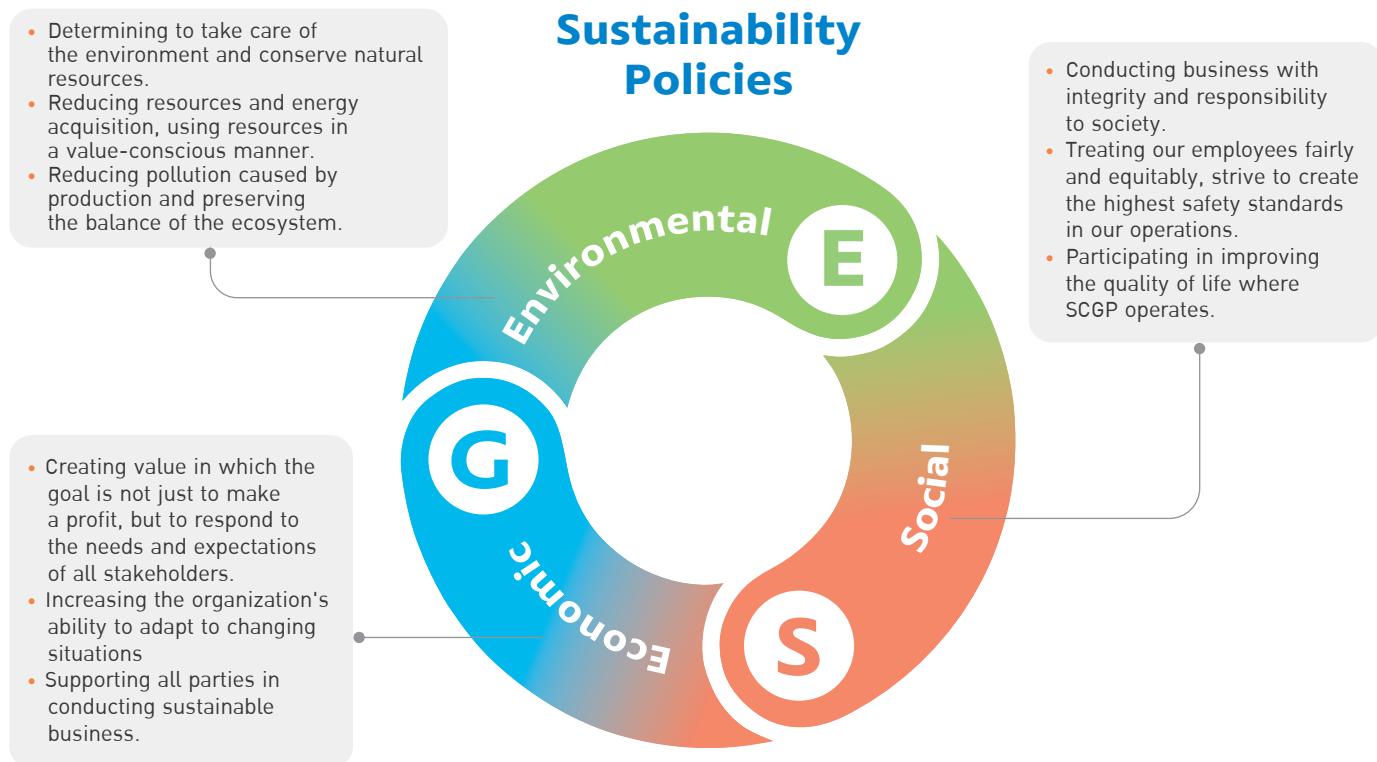
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# Sustainability Policies and Approaches

SCGP and its subsidiaries, both Thailand and abroad, have a policy of conducting business sustainably taking into account risks and opportunities for improvement at all levels of the organization, needs, and expectations both short and long-term of all stakeholders, covering the impact of economic, social, and environment.



## Sustainability Approaches

- Choosing the use of modern, safe, and socially friendly equipment and technology.
- Development and design of products to ensure quality, and safety in use, and can be reused and recycled easily and is a leader in the packaging industry.
- Taking care of all stakeholders, giving importance to sustainable social development, including campaigning and creating awareness of environmental conservation for young people.
- Encourage cooperation and coordination with stakeholders in favor of sustainability.

### Continuous development and improvement of policies for sustainability

In 2022, SCGP has reviewed and improved its policies to achieve effective and efficient management practices, in line with global issues and considering local issues according to SCGP Sustainability Practices such as;

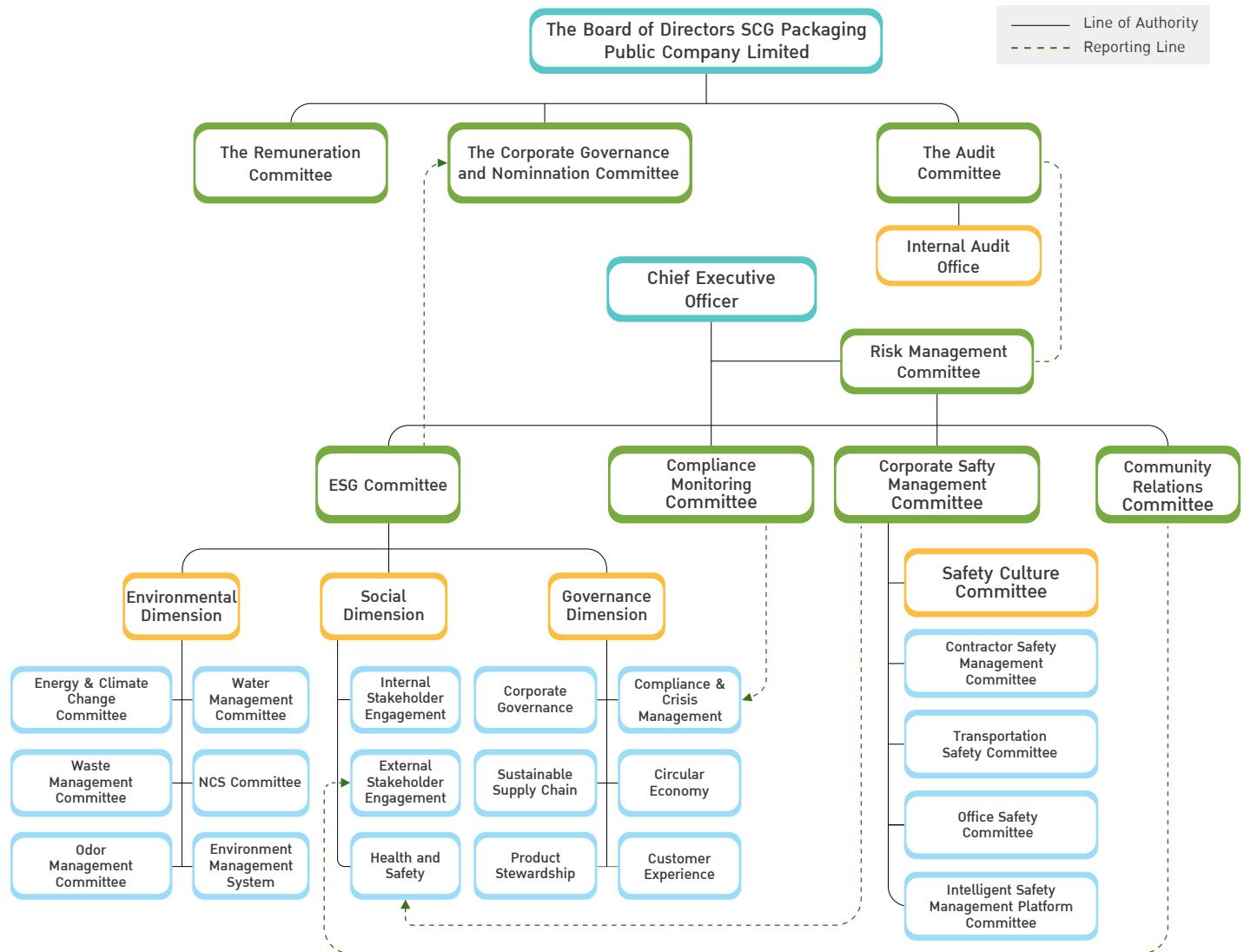
- Environment and Climate Policy
- Biodiversity Restoration and Conservation Policy
- Diversity and Inclusion Policy
- Human Rights Policy
- SCG Packaging's Code of Conduct

Track any updates, implementations, reviews, and improvements made to other relevant policies and guidelines here.



# Sustainability Structure

Apart from the development and improvement of policies for sustainability in 2022, reporting line has also been added from the ESG Committee to the Governance and Nomination Committee.



## Responsibilities of Environmental, Social and Governance (ESG) Committee as follows:

**1**

Establish policies and governance practices in business operations following the UN Sustainable Development Goals (UN-SDGs) guidelines. Including environmental, social, and corporate governance (ESG) guidelines that align with key stakeholders' expectations for being a good role model for Sustainability both regionally and internationally.

**2**

Promote, communicate, and create ESG awareness among all employees and business partners for achieving the ESG goal.

**3**

Encourage the linkage and implementation of crucial sustainability issues [Materiality] to be a part of the business strategy to create value and sustainability for the organization and society.

**4**

Follow up on implementing the Action Plan and the Annual Plan, including Indicators of sustainability performances to achieve the specified goals.

**5**

Be Empowered to appoint a working group to achieve the set objectives.

**6**

Quarterly Report of the operating results and advice on improvement to the Governance and Nomination Committee and SCG Sustainable Development Management Committee.

# SCGP Value Chain and Value Creation

## OUR SIX CAPITALS

## EMPOWER OUR VALUE CHAIN

### Inputs

#### **Planet**

##### **1. Natural Resources**

- Virgin Raw Materials (e.g. Wood chips/wood logs, Virgin pulp, Virgin film/resin)
- Recycled Raw Materials (e.g. Recovered paper, Post Consumer Resin)
- Water
- Energy

#### **People**

##### **2. Human Resources**

- Employees and suppliers
- Training

##### **3. Social and Relation**

- Sound business ethics
- Business partners
- Customer relationship
- Global Brand Perception

#### **Prosperity**

##### **4. Intellectual resources**

- Innovative Patent on Paper Packaging and Recycling
- Trademarks
- Technology licenses
- Software licenses

##### **5. Financials**

- Costs and Expenses
- Corporate Shares
- Bonds, Debts, Loans

##### **6. Manufacture**

- 57 Operation Plants
- Head office



#### 9 STAKEHOLDER GROUPS

1. Shareholders/Investors/Business partners/Creditors
2. Employees
3. Customers
4. Suppliers/Contractors
5. Communities
6. Governance Agencies
7. Mass Media
8. Civil Society/Academics/Thought Leaders, and
9. Competitors.

SECURE FUTURE

SCGP is committed to conducting business with the SCG ESG Pathway, combined with the Circular Economy Principles to maximize happiness for stakeholders in the sustainable value chain.

## THAT CREATES

## VALUE FOR OUR STAKEHOLDERS

### Results

### Impacts

### SDGs

#### **Planet**

##### **Natural Outcomes**

- Air pollutants and Carbon dioxide emissions, Waste and effluent management
- Energy and Water consumption Management
- Sustainable Products and Solutions

#### **Planet**

##### **Natural Impact**

- Reduction of CO<sub>2</sub> emissions 9, 13
- Air pollutants, Waste and Effluent appropriately managed and reduced 6, 9, 12
- Reduction of Energy and water consumption 6, 7
- Preservation of Biodiversity 15

#### **People**

##### **Human Resources Outcomes**

- Human Rights of employees and suppliers
- Diverse and Inclusive workforce
- Injuries and ill health
- Employee salaries and welfare
- Employee engagement and satisfaction

#### **People**

##### **Human Resource Impact**

- Protection of Human Rights in workplace 5, 10, 16
- Promotion of diversity and inclusion opportunity 5, 8, 10, 16
- Contraction of Occupational Health and Safety incident 3, 8
- Enhancement of employee skills development 4
- Improvement of employee satisfaction 5, 8, 10, 16

##### **Social and Relation Outcomes**

- Job creation
- External Stakeholders Engagement and Satisfaction
- Brand reputation

##### **Social and Relation**

- Strengthen of business ethics & partnership on supply chain 8, 12, 16, 17
- Stimulation of job employment 1, 8
- Promotion of customer satisfaction 16
- Global reputation and recognition 16

#### **Prosperity**

##### **Intellectual Outcomes**

- Innovative Paper & Packaging products and Recycling solutions
- Knowledge intuition and sharing

##### **Financial Outcomes**

- Profits
- Access to Capital Market
- Returns on third party capital/dividends
- Revenue Growth

##### **Manufacture Outcomes**

- Centralized network collaboration
- Quality and efficiency of resources acquisition

#### **Prosperity**

##### **Intellectual Impact**

- Dissemination of new Paper, Packaging and Recycling product innovated 8, 9, 12
- Leveraged benefit from Paper, Packaging and Recycling 8, 9, 12

##### **Financial Impact**

- Minimizing financial risks to related stakeholders 1, 8
- Debt reduction 1

##### **Manufacture Impact**

- Sustainably used of resources acquired 9, 11, 12, 13
- Enhancement of product value added 9, 11, 12



# Stakeholders Engagement

The SCGP categorizes stakeholders into 9 groups. The combined interests of each group may affect or be affected by SCGP's operations at different levels. Therefore, each stakeholders' needs and expectations are analyzed before communication through the various channel consistently, including examples of ongoing actions of stakeholders. In 2022, the analysis of stakeholders' expectations were described as follows:

Stakeholder Group	Key Concerns & Expectations	Engagement Approach	Example of Outcomes	Key Response	Page
<b>1. Shareholders/ Investors/ Business Partners/ Creditors</b>	<ul style="list-style-type: none"> <li>SCGP's plan/strategies to achieve both long-term, and short-term goals</li> <li>Operating results and business growth</li> <li>Corporate governance practice and transparency of management</li> <li>Disclosure of information on business performances</li> <li>An optimum value of the dividend</li> <li>Receive opinions /suggestions to improve operations</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting of shareholders (AGM)</li> <li>Announcement of quarterly business performance</li> <li>Annual Report and Sustainability Report</li> <li>Analyst conference (quarterly)</li> <li>Investor Relations (IR) communicate business results/action plans with Investors around the world</li> <li>Hotline phone and e-mail, managed by IR</li> <li>Website</li> <li>Annual plant visits and CSR activities</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of essential and necessary information on SCGP's operating performances</li> <li>Conduct business with transparency and accountability</li> <li>Listen to opinions and suggestions for business operation development</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report 2022</li> <li>Sustainability Report 2022</li> </ul>	
<b>2. Employees</b>	<ul style="list-style-type: none"> <li>Reskill-Upskill and Potential Development in line with business changes</li> <li>Business directions and Guidelines for adaptation</li> <li>Employee caring</li> </ul>	<ul style="list-style-type: none"> <li>Ensure regular communications through internal news</li> <li>Hold annual meeting between employees and executives</li> <li>Prepare employee engagement Plan of each department to encourage employee's commitment to the organization</li> <li>Conduct yearly employee engagement survey</li> <li>Conduct formal and informal employee engagement surveys</li> <li>Provide relevant information business movements through various internal communication channels, including e-mail, Line Group, Employee Connect Application</li> <li>Provide information to realize and be aware of healthcare during the COVID-19 pandemic through multiple internal communication channels, including e-mail, Line Group, Employee Connect Application</li> </ul>	<ul style="list-style-type: none"> <li>Recognize employees' problems and expectations</li> <li>Understand employees' needs and facilitate them to work happily and efficiently</li> <li>Disclosure of operational Information in various activities for employees to acknowledge the SCGP's business movement</li> <li>Promote a collaborative culture with other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>ESG Highlight Performance 2022</li> <li>Risks and Opportunities in ESG</li> <li>ESG Metrics and Targets</li> <li>Health and Safety</li> <li>Human Rights</li> <li>Employee Caring and Human Capital Development</li> <li>Corporate Governance</li> <li>Risk and Crisis Management</li> <li>Information Technology Security and Cybersecurity</li> </ul>	12-13 24-25 26-27 54-55 56-57 58-59 62-63 64-65 66-67

Stakeholder Group	Key Concerns & Expectations	Engagement Approach	Example of Outcomes	Key Response	Page
<b>3. Customers</b>	<ul style="list-style-type: none"> <li>Provide Integrated services and solutions that meet the needs of customers in a complete cycle</li> <li>Supply quality products and services that meet customer needs and are environmentally friendly</li> <li>Provide online channels to customers during the COVID-19 pandemic to respond to customer behavior</li> </ul>	<ul style="list-style-type: none"> <li>Develop sustainable products, services, and solutions and consider environmental, health, and safety impacts at every step of the process</li> <li>Provide channels for customers to give feedback about products and services, request solutions, and file complaints through various channels 24 hours a day</li> <li>Co-develop products with customers and create collaborative projects that enhance social responsibility</li> <li>Conduct a customer experience survey every year</li> <li>Conduct brand reputation survey</li> <li>Listen to customer needs to develop products/services through Facebook, website, and customer visit</li> </ul>	<ul style="list-style-type: none"> <li>Recognize and understand customer needs to deliver products and services that meet their specific needs</li> <li>Co-develop products with business customers, including promoting cooperation among B2B customers to develop more sustainable products and services</li> <li>Create channels for customers to give feedback on the products, request the advice for solving their problems, and receive complaints</li> </ul>	<ul style="list-style-type: none"> <li>ESG Highlight Performance 2022</li> <li>Risks and Opportunities in ESG</li> <li>ESG Metrics and Targets</li> <li>High-Tech Innovation coupled with Low Carbon</li> <li>Circular Economy Across Supply Chain</li> <li>Corporate Governance</li> <li>Product Stewardship</li> <li>Customer Relationship Management</li> </ul>	12-13 24-25 26-27 36-39 40-43 62-63 70-71 72-73
<b>4. Suppliers/ Contractors</b>	<ul style="list-style-type: none"> <li>Provide knowledge be a mentor to raise transportation capability with safety for growing along with SCGP</li> <li>Support operational knowledge with concerns on the Environmental, Social and Governance (ESG) to enhance the business partners' capability to reduce operational and reputational risks</li> </ul>	<ul style="list-style-type: none"> <li>Visit suppliers/contractors' places for exchanging ideas and listening to their suggestions or recommendations for improvement</li> <li>Cultivate consciousness, raise awareness and promote working behavior to build a culture of safety</li> <li>Organize the seminars to share knowledge and new trends that may affect contractors' operations</li> <li>Enhance the level of transportation contractors with assessment and development under sustainable development program every year</li> <li>Establish measures for contractors, including digital and online technology applications, to ensure safety during COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Promote and take care of the safety and working environment of contractors in production and transportation</li> <li>Create values for suppliers and contractors' operations</li> <li>Enhance and enrich supplier and contractor's operations with new knowledge for maximizing operational efficiency</li> <li>Develop collaborative projects for business growth and expansion</li> <li>Promote and support suppliers and contractors to comply with the requirement relevant environmental, health and safety laws</li> </ul>	<ul style="list-style-type: none"> <li>ESG Highlight Performance 2022</li> <li>Risks and Opportunities in ESG</li> <li>ESG Metrics and Targets</li> <li>Health and Safety</li> <li>Human Rights</li> <li>Corporate Governance</li> <li>Sustainable Value Towards Suppliers</li> </ul>	12-13 24-25 26-27 54-55 56-57 62-63 68-69
<b>5. Communities</b>	<ul style="list-style-type: none"> <li>Ensure that the business operations do not affect the community and environment</li> <li>Use SCGP's expertise to develop and improve the quality of life of the community</li> <li>Have a chance to learn and self-development for building career and income stability</li> <li>Enhance income generation by increasing sales channels, developing the marketing plan, and providing packaging</li> <li>Care for communities during the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Visit the community to listen to villagers' opinions, suggestions, and needs through Community - Relations activities</li> <li>Conduct community satisfaction survey annually</li> <li>Act as a mentor to give advice and help develop communities in various dimensions, using the expertise of the organization</li> <li>Collaborate with communities, experts, government, and related sectors to create a positive social impact</li> <li>Use Social media tools; Line, Facebook, and Twitter</li> <li>Create Open house activities for the community visit to obtain their opinions</li> </ul>	<ul style="list-style-type: none"> <li>Be a part of the community with respect to community's rights in parallel with caring for the environment around the community</li> <li>Improve the quality of life and enhance the community's benefits and society where SCGP operates both in Thailand and abroad</li> <li>Listen to the community's opinions and co-develop the projects that enhance the community's competence for society's benefit</li> </ul>	<ul style="list-style-type: none"> <li>ESG Highlight Performance 2022</li> <li>Risks and Opportunities in ESG</li> <li>ESG Metrics and Targets</li> <li>Circular Economy Across Supply Chain</li> <li>Forestry and Biodiversity</li> <li>Water Management</li> <li>Industrial Waste Management</li> <li>Air Quality Management</li> <li>Human Rights</li> <li>Community Engagement and Development</li> <li>Risk and Crisis Management</li> </ul>	12-13 24-25 26-27 40-43 46-47 48-49 50-51 52-53 56-57 60-61 64-65

Stakeholder Group	Key Concerns & Expectations	Engagement Approach	Example of Outcomes	Key Response	Page
<b>6. Government Agencies</b>	<ul style="list-style-type: none"> <li>Be a role model of corporate governance for other organizations in terms of operational transparency and excellence</li> <li>Collaborate with public sectors and present guidelines for Sustainability</li> <li>Disclosure of business operation information with transparency and accountability</li> <li>Operate business with considerations of the impact on the environment and community</li> <li>Participate in a collaborative project to achieve the Sustainable Development Goals (SDGs)</li> </ul>	<ul style="list-style-type: none"> <li>Receive opinions and suggestions from the public sectors</li> <li>Participate in proposing opinions and suggestions on public regulations and practices</li> <li>Participate with the public sectors and share the best practices to disseminate to the public</li> <li>Join as a committee or working group with the public sectors in proposing regulatory rules</li> <li>Visit various public sectors to obtain opinions and give suggestions</li> <li>Disseminate information on the business operations through articles, media, academic forums, exhibitions, and seminars</li> </ul>	<ul style="list-style-type: none"> <li>Conduct business operations appropriately and adequately with strict compliant to applicable laws and regulations</li> <li>Cooperate and support activities that promote operations and policies of the public sectors</li> </ul>	<ul style="list-style-type: none"> <li>ESG Highlight Performance 2022</li> <li>Risks and Opportunities in ESG</li> <li>ESG Metrics and Targets</li> <li>Collaborative Network Aspiring Towards Sustainability</li> <li>Circular Economy Across Supply Chain</li> <li>Water Management</li> <li>Community Engagement and Development</li> <li>Risk and Crisis Management</li> </ul>	12-13 24-25 26-27 28-29 40-43 48-49 60-61 64-65
<b>7. Mass Media</b>	<ul style="list-style-type: none"> <li>Become a large corporation model that focuses on conducting business according to sustainable development framework in three aspects, economic, social, and environment. And do it thoughtfully and continuously, achieving clearly tangible and intangible outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Disseminate business information in various aspects regularly, such as business performance and business press conference</li> <li>Organize activities to explore operations or social activities occasionally</li> <li>Support the media activities that are beneficial to society, aligning with SCGP's business principle, appropriately</li> <li>Have media dialogue to receive suggestions, opinions, or improvements to develop and design communication activities to match the needs and benefits of people who receive information</li> </ul>	<ul style="list-style-type: none"> <li>Communicate corporate news through in-depth media interviews and an online survey (empathize media) to provide news content -preparation responding to different media needs</li> <li>Create an online communication channel to disseminate correct, complete, and up-to-date information, including facilitating the media</li> <li>Build engagement and good relationships with the mass media</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Report 2022</li> </ul>	
<b>8. Civil Society/Academics/Thought Leaders</b>	<ul style="list-style-type: none"> <li>Become a model and mentor of other small and medium enterprises for sharing lesson learned and best practices on Sustainability</li> <li>Join forces with large corporations to make significant changes for sustainability</li> <li>Cooperate with government agencies and present practical guidelines for Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Listen to opinions and suggestions from civil society, academics, and thoughts to develop business operations</li> <li>Cooperate in projects promoting social sustainability</li> <li>Build engagement and share good practices for civil society/academics/thought leaders to apply, such as road safety, health management, etc.</li> <li>Provide information on the business operations through articles, media, meetings, exhibitions, academic work, and seminars</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of complete and transparent information</li> <li>Listen to comments and suggestions from civil society</li> <li>Seek opportunities to build partnerships to drive and drive issues related to sustainability</li> <li>Raise awareness and understand the community on important sustainable development issues and utilize knowledge from experts to support collaborative projects</li> </ul>	<ul style="list-style-type: none"> <li>ESG Highlight Performance 2022</li> <li>Risks and Opportunities in ESG</li> <li>ESG Metrics and Targets</li> <li>Collaborative Network Aspiring Towards Sustainability</li> <li>SCGP is committed to Net Zero</li> <li>Circular Economy Across Supply Chain</li> <li>Forestry and Biodiversity</li> <li>Water Management</li> <li>Community Engagement and Development</li> </ul>	12-13 24-25 26-27 28-29 32-35 40-43 46-47 48-49 60-61
<b>9. Competitors</b>	<ul style="list-style-type: none"> <li>Conduct Business under the framework of fair competition, with business ethics and transparency</li> <li>Do not take advantage of competitors by unlawful means</li> <li>Do not damage the reputation of competitors by making malicious accusations</li> <li>Do not seek any trade secret information through dishonest or inappropriate means</li> <li>Do not conduct any action that fringes the intellectual property of competitors.</li> <li>Support and promote free trade</li> </ul>	<ul style="list-style-type: none"> <li>Join as a committee or work with associations such as the Federation of Thai Industries or other associations.</li> <li>Provide seminar for knowledge sharing on new trends that may affect business operations</li> <li>Pay a visit to build relationships for exchanging ideas and listening to suggestions or improvements</li> </ul>	<ul style="list-style-type: none"> <li>Conduct the business under the framework of fair competition and related laws</li> <li>Disclosure of significant and necessary information about SCGP's operation</li> <li>Have corporate governance with transparency, fairness, and verifiability</li> <li>Listen to comments/suggestions to develop the business operation</li> <li>Identify opportunities to build cooperation for encouraging and driving business-related issues to the consideration of the government sector</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Report 2022</li> </ul>	

# Materiality

SCGP has reviewed and prioritized the materiality issues to be implemented into three levels without any significant changes from the previous assessment in accordance with the Global Reporting Initiative (GRI) Standard.

However, SCGP has updated the materiality issues according to global trends and stakeholders' interests during the year consisting of "Risk and Crisis Management", "Information Technology Security and Cybersecurity", "Industrial Waste Management", and "Air Quality Management" which will be included for review and prioritize during the next materiality assessment.

## Analysis of materiality issues from stakeholders

- Key issues in Container and Packaging Industry based on the principles outlined of the Global Reporting Initiative (GRI) Standards, the United Nations Sustainable Development Goals (SDGs), the Task Force on Climate-related Financial Disclosures (TCFD), and sustainability assessment indices from leading organizations DJSI, MSCI, Sustainalytics, FTSE4Good and EcoVadis.
- Stakeholders' interests.
- Survey results from stakeholder engagement and materiality survey, ESG Symposium survey and Supplier Day survey.

## Analysis of materiality issues within SCGP

- Significant impacts on SCGP according to enterprise risk management principles.
- Chief Executive Officer and top executives shared opinions and approved through executive workshop.
- Focus issues from ESG Committee which must be closely monitored.
- Issues that has been set as short, medium and long-term goals for business. And its performance is part of the remuneration criteria for the Chief Executive Officer and top executives.

## Process of Materiality Assessment and Prioritization



In 2022, SCGP still prioritized the Materiality issues into 3 levels as follows;

- I. Key Risk and Capturing Future Value Issues
  - Long-term development goals and progress
  - Management strategy (system/certified)
  - Verified data (3 years or more)
- II. Issues that drive sustainable development (Enabler)
  - Management approach (system/recognized)
  - Verified data (3 years or more)
- III. Issues that are fundamental to sustainable business operation (Business Fundamental) without any change in the Key Risk and Capturing Future Value Issues
  - Key elements of sustainable business practices
  - Management strategy (regular business operations)
  - Data management



# Risks and Opportunities in ESG

Significant issues: Sustainable Development	Risks Management	Significant stakeholders within the scope	Importance to the 6 Capitals* Develop and implement effective operations and control processes Value Creation
<b>Significant risks and opportunities in sustainable development</b>			
• <b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>There are increased attention from stakeholders toward transparency, integrity, anti-corruption, and business practices whether these are in line with corporate governance principles. This has been an opportunity to build trust and acceptance. It also be assessed by ESG rating as performance on sustainability.</li> <li>Developing a robust governance and oversight system that aligns with international standards, and fosters a virtuous and ethical corporate culture among employees, and compliance with the Four Core Values and SCG packaging ethical standards.</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Shareholders/Investors/ Business Partners/Creditors</li> <li>Customers</li> <li>Suppliers/Contractors</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> <li>Government agencies</li> </ul>	<ul style="list-style-type: none"> <li>Financial Capital</li> <li>Social and Relationship Capital</li> <li>Human Capital</li> </ul>
• <b>Risks and Crisis Management**</b>	Risk and crisis management in a systematic and standardized manner, following global standards and integrated with business operations, within acceptable levels of risk and consistent with business continuity.	<ul style="list-style-type: none"> <li>Shareholders/Investors/ Business Partners/Creditors</li> <li>Suppliers/Contractors</li> </ul>	<ul style="list-style-type: none"> <li>Financial Capital</li> <li>Social and Relationship Capital</li> <li>Human Capital</li> </ul>
• <b>Information security and cybersecurity**</b>	The use of information technology in every step of business operations increases the risk of security and cyber attacks, which can impact the operation and reputation of the company.	<ul style="list-style-type: none"> <li>Customers</li> <li>Suppliers/Contractors</li> </ul>	<ul style="list-style-type: none"> <li>Production Capital</li> <li>Intellectual Capital</li> <li>Human Capital</li> </ul>
• <b>Product Stewardship</b>	<ul style="list-style-type: none"> <li>Consumers are increasingly considering packaging that is durable, environmentally friendly, and safe. The producer is also encouraged by regulations to responsible for the social and environmental.</li> <li>Developing and designing quality products, services, and solutions that are creative, sustainable, and safe throughout the entire life cycle of the product in line with a circular economy.</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Customers</li> <li>Suppliers/Contractors</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> </ul>	<ul style="list-style-type: none"> <li>Natural Capital</li> <li>Intellectual Capital</li> <li>Social and Relationship Capital</li> <li>Financial Capital</li> </ul>
• <b>Circular Economy</b>	<ul style="list-style-type: none"> <li>Limited Natural Resource Issues, Environmental Problems from Climate Change and Resource Depletion.</li> <li>Using Circular Economy as a management approach to efficiently utilize limited resources such as water, energy, and raw materials for maximum benefit.</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders/Investors/ Business Partners/Creditors</li> <li>Customers</li> <li>Suppliers/Contractors</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> </ul>	<ul style="list-style-type: none"> <li>Natural Capital</li> <li>Intellectual Capital</li> <li>Social and Relationship Capital</li> </ul>
• <b>Customer Relationship Management</b>	<ul style="list-style-type: none"> <li>Business customers must allocate costs from war and inflation situation.</li> <li>Designing products that reduce production costs while maintaining quality and being environmentally friendly, and develop online platforms to help with sales to customers.</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Suppliers/Contractors</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> </ul>	<ul style="list-style-type: none"> <li>Social and Relationship Capital</li> <li>Financial Capital</li> <li>Intellectual Capital</li> </ul>
• <b>Health and Safety</b>	Committing to upgrading the Occupational Health and Safety Management systems both domestically and internationally, fostering a culture of safety across the organization, and developing technologies to support effective and efficient operations in the implementation of Occupational Health and Safety efficiency.	<ul style="list-style-type: none"> <li>Employees</li> <li>Contractors /Suppliers</li> <li>Community</li> </ul>	<ul style="list-style-type: none"> <li>Human Capital</li> <li>Intellectual Capital</li> </ul>
<b>Key drivers of Sustainable Development</b>			
• <b>Climate Resilience</b>	<ul style="list-style-type: none"> <li>The fluctuations in the price of fossil fuel and energy sources constraints have led to an increase in the use of alternative and renewable energy sources. The expectation of Net Zero greenhouse gas emissions by 2050.</li> <li>The increasingly stringent climate-related regulations such as carbon tax measures, the risks from rising global temperatures, and the increase in natural disasters affect creature and natural resources.</li> <li>Implementing measures in accordance with the guidelines set by the Task Force on Climate-Related Financial Disclosures (TCFD).</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders/Investors/ Business Partners/Creditors</li> <li>Customers</li> <li>Suppliers/Contractors</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> </ul>	<ul style="list-style-type: none"> <li>Natural Capital</li> <li>Production Capital</li> <li>Social and Relationship Capital</li> </ul>

\* Reference is made to the value chain and the creation of sustainable value, as described by the 6 dimensions of the integrated reporting (IR) framework, which provides information that is linked to outcomes and impacts, as well as stakeholders throughout the value chain.

\*\* Risk Management and Crisis Management and Technology Security and Cybersecurity were separately considered "Risks Management, Significant stakeholders within the scope, Importance to the 6 Capitals" from Corporate Governance as it is important to SCGP's business operations.

SCGP specifies the risks and opportunities arising from significant sustainable development issues with aiming to reduce risks that may have negative impacts on the organization while seeking opportunities to further create added value, considering the impacts on all stakeholders both inside and outside the organization, based on the importance of the 6 Capitals, Develop and implement effective operations and control processes, Value Creation through innovation as an important tool in responding to risks and opportunities quickly and directly, both in the development of products, services and solutions, as well as changing lifestyle, working processes and business operations toward the leading multinational consumer packaging solutions provider through innovative and sustainable offerings.

<b>Significant issues: Sustainable Development</b>	<b>Risk Management</b>	<b>Significant stakeholders within the scope</b>	<b>Importance to the 6 Capitals*</b> Develop and implement effective operations and control processes Value Creation
• <b>Water Management</b>	<ul style="list-style-type: none"> <li>The situation of drought or flooding may have a severe impact on businesses.</li> <li>Water-Related risks assessment through internationally accepted tools, including reduce risk in a comprehensive manner with government and external organizations.</li> <li>Improving the efficiency of water usage, treat wastewater to pass standards.</li> <li>Restoring the hydrological system for the benefit of the community and agriculture.</li> </ul>	<ul style="list-style-type: none"> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> <li>Government agencies</li> </ul>	<ul style="list-style-type: none"> <li>Natural Capital</li> <li>Production Capital</li> <li>Social and Relationship Capital</li> </ul>
• <b>Forestry and Biodiversity</b>	<ul style="list-style-type: none"> <li>The loss of biodiversity globally is due to human activities.</li> <li>Conserving biodiversity and Promoting the sustainable use of forests, conservation efforts should be reinforced and widely supported by the community. In addition, enhancing the carbon sink capacity of forests under T-VER standards, and managing resources in compliance with legal regulations and the well-being of the community is also crucial.</li> </ul>	<ul style="list-style-type: none"> <li>Suppliers/Contractors</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> <li>Government agencies</li> </ul>	<ul style="list-style-type: none"> <li>Natural Capital</li> <li>Social and Relationship Capital</li> <li>Production Capital</li> </ul>
• <b>Sustainable Value Towards Suppliers</b>	The management of business partnerships involves the selection of competent business partners, the evaluation of their ESG performance, and the creation of a collaborative relationship for the purpose of fostering growth in partnership with SCGP.	<ul style="list-style-type: none"> <li>Customers</li> <li>Suppliers/Contractors</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> </ul>	<ul style="list-style-type: none"> <li>Social and Relationship Capital</li> <li>Human Capital</li> <li>Intellectual Capital</li> </ul>
• <b>Employee Caring and Human Capital Development***</b>	<ul style="list-style-type: none"> <li>The fluctuations of the global economy and the after COVID-19 situation have necessitated the need to adjust our business structures and strategies.</li> <li>We have encouraged our employees to develop and adapt to these changes by fostering a culture of learning and creating a strong sense of commitment to the organization.</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Human Capital</li> <li>Intellectual Capital</li> <li>Social and Relationship Capital</li> </ul>
<b>Fundamental Aspects of Sustainable Business Operations</b>			
• <b>Human Rights</b>	<ul style="list-style-type: none"> <li>Expansion of business and consolidation of operations in foreign countries poses risks of adjusting policies or practices related to human rights to align with laws in respective countries.</li> <li>Elevating efforts in the area of human rights to encompass business activities and partnerships, both domestically and internationally, within a framework of values.</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Customers</li> <li>Suppliers/Contractors</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> <li>Government agencies</li> </ul>	<ul style="list-style-type: none"> <li>Human Capital</li> <li>Social and Relationship Capital</li> </ul>
• <b>Community Engagement and Development</b>	Creating a sense of participation among all stakeholders while embedding sustainable development concepts, promoting income generation for communities, and providing support to society and developing sustainable communities and networks.	<ul style="list-style-type: none"> <li>Customers</li> <li>Suppliers/Contractors</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> <li>Government agencies</li> </ul>	<ul style="list-style-type: none"> <li>Social and Relationship Capital</li> <li>Financial Capital</li> <li>Human Capital</li> </ul>
• <b>Industrial Waste Management****</b>	The management of waste is based on the 3R principles in order to reduce the amount of waste generated from its source. The waste is recycled or repurposed to increase its value, and these operations are conducted in compliance with relevant laws and standards.	<ul style="list-style-type: none"> <li>Suppliers/Contractors</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> <li>Government agencies</li> </ul>	<ul style="list-style-type: none"> <li>Production Capital</li> <li>Intellectual Capital</li> <li>Social and Relationship Capital</li> </ul>
• <b>Air Quality Management****</b>	<ul style="list-style-type: none"> <li>Increased enforcement of regulations regarding the release of air pollutants.</li> <li>Controlling and reducing of air pollution emissions from sources, by increasing the proportion of renewable energy, utilizing advanced technology, and expanding operation efforts across all facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Community</li> <li>Civil Society Sector/Scholars/ Thought Leaders</li> <li>Government agencies</li> </ul>	<ul style="list-style-type: none"> <li>Natural Capital</li> <li>Production Capital</li> <li>Social and Relationship Capital</li> </ul>

\* Reference is made to the value chain and the creation of sustainable value, as described by the 6 dimensions of the integrated reporting (IR) framework, which provides information that is linked to outcomes and impacts, as well as stakeholders throughout the value chain.

\*\*\* Combined the reported data of talent attraction and retention with human capital development to employee caring and human capital development.

\*\*\*\* Separate the reported data of environmental management into industrial waste management and air quality management.

# ESG Metrics and Targets

SCGP recognizes the importance of promoting and encouraging operations in line with the ESG Pathway to ensure sustainable outcomes. Quantitative evaluation and consideration of risks and opportunities associated with ESG performance can be measured. Therefore, the company has established metrics and targets in various ESG dimensions including environmental, social, and governance aspects as follows:

Material Sustainability Issue	ESG Metrics and Targets
<b>Climate Resilience</b>	<b>Net Zero</b> <ul style="list-style-type: none"> <li>Achieve Net Zero greenhouse gas emissions by 2050.</li> <li>Reduce greenhouse gas emissions 20% by 2030, compared with the base year of 2020, both Thailand and aboard.</li> <li>Reduce energy consumption 13% by 2025 compared with business as usual (BAU) at the base year of 2007.</li> </ul>
<b>Water Management</b>	<b>35%</b> <ul style="list-style-type: none"> <li>Reduce water withdrawal 35% by 2025 compared with business as usual (BAU) at the base year of 2014.</li> </ul>
<b>Forestry and Biodiversity</b>	<b>10%</b> <ul style="list-style-type: none"> <li>Biodiversity conservation area certified by FSC™ standards at least 10% of agroforestry area.</li> <li>100% No gross deforestation.</li> </ul>
<b>Industrial Waste Management</b>	<b>100%</b> <ul style="list-style-type: none"> <li>Every Year-Zero waste from the production process in Thailand to landfill.</li> <li>Year 2025, 100% Reduction of waste disposal by incineration without energy recovery in Thailand, compared with the base year of 2014.</li> </ul>
<b>Air Quality Management</b>	<b>10%</b> <ul style="list-style-type: none"> <li>Reduce the intensity emission of air pollution [Particulate matter, Sulfur oxides (SO<sub>x</sub>), Nitrogen oxides (NO<sub>x</sub>)] per ton of production 5% by 2025 and 10% by 2030 compared with the base year of 2020.</li> <li>No official odor complaint.</li> </ul>
<b>Health &amp; Safety</b>	<b>0 case</b> <ul style="list-style-type: none"> <li>Zero work-related fatality of employees and contractors in the workplace every year.</li> <li>Zero of Occupational Illness and Disease Frequency Rate work-related injury or illness per working hours (cases/1,000,000 Hours Worked) every year among employees.</li> <li>In the year 2022, Zero Lost Time Injury Frequency Rate of employees and contractors (Cases/1,000,000 Hours Worked) (Thailand).</li> </ul>
<b>Employee Caring and Human Capital Development</b>	<b>&gt; 78%</b> <ul style="list-style-type: none"> <li>Total employee engagement rate is 78%.</li> <li>Employees in Thailand received a performance assessment and employee development plan on the learning management system (LMS) with 100% participation every year.</li> </ul>
<b>Human Rights</b>	<b>0 Case</b> <ul style="list-style-type: none"> <li>Zero case of human rights violations.</li> <li>100% of employees complete Ethics e-Testing on human rights.</li> <li>24% of female employees in all management positions in year 2025.</li> </ul>
<b>Community Engagement and Development</b>	<b>90%</b> <ul style="list-style-type: none"> <li>Community satisfaction index is 90%.</li> <li>Scale up Zero Waste Community Project to 183 communities by 2030.</li> <li>SCGP Open House 12 times, with 1,000 participants per year.</li> </ul>

## Material Sustainability Issue

## ESG Metrics and Targets

Governance	
<b>Corporate Governance</b> 	<b>100%</b> <ul style="list-style-type: none"><li>Receive an excellence rating (5 stars) from the assessment of the Corporate Governance Survey of Listed Companies (CGR Checklist) for the year 2022.</li><li>No corruption.</li><li>Employees learn and pass Ethics e-Testing 100%.</li></ul>
<b>Risk and Crisis Management</b> 	<b>0 Case</b> <ul style="list-style-type: none"><li>Reducing the impact of disruption of key processes or services, primary products, and primary customers.</li></ul>
<b>Information Technology Security and Cybersecurity</b> 	<b>&gt; 99.5%</b> <ul style="list-style-type: none"><li>Information system operates continuously with a minimum of 99.5% availability or having system problem not more than 1.83 days per year.</li><li>No complaints on customer data breach.</li></ul>
<b>Product Stewardship</b> 	<b>66.7%</b> <ul style="list-style-type: none"><li>Sale revenue from SCG Green Choice products, services, and solutions is 66.7% of the total sales revenue by 2030.</li><li>Sale revenue from SCG Green Choice products, services, and solutions that provide direct benefits to customers is 33.3% of the total sales revenue by 2030.</li><li>All subsidiaries in Thailand must comply with the requirements of REACH Regulation (Annex XVII and Substances of Very High Concern (SVHC) for Authorization).</li><li>No complaints on non-compliance with laws and product safety.</li></ul>
<b>Circular Economy</b> 	<b>100%</b> <ul style="list-style-type: none"><li>The proportion of recyclable, reusable, or compostable packaging is equal to 100% of the total packaging in 2025.</li></ul>
<b>Customer Relationship Management</b> 	<b>85%</b> <ul style="list-style-type: none"><li>Customer experience score 85% (Pulp and Paper business, paper packaging, and packaging from pulp and paper)</li></ul>
<b>Sustainable Value Towards Suppliers</b> 	<b>90%</b> <ul style="list-style-type: none"><li>90% of procurement value from suppliers with a commitment to comply SCGP Supplier Code of Conduct.</li><li>100% of the supplier in procurement value passed the annual Environmental, Social, and Governance (ESG) risk assessment.</li><li>100% of operation contractors certified SCG Contractor Certification, (SCS).</li><li>100% of transportation contractors certified as main logistics partners</li></ul>

# Collaborative Network Aspiring Towards Sustainability



SCGP works collaboratively with all sectors including government, business, and society, creating a balance between the governance, society, and environment based on sustainability principles, to quickly and effectively address the current challenges and produce effective results.

## ESG Collaborations

- **ESG Symposium 2022**

SCGP participated in the ESG Symposium 2022 : achieving ESG and Growing Sustainability which was hosted by SCG. SCGP invited 469 partners to participate and exchange their thoughts and approaches towards ESG initiatives. The goal was to raise awareness and understanding of ESG among business stakeholders, and build a foundation for further growth through collaboration at the next event, "Growing Together Through Collaboration."

## Cooperation in reducing greenhouse gas emissions.

- **TCNN**

SCGP joined the Thailand Carbon Neutral Network (TCNN) as a Climate Action Initiator member, which has 300 organizations initiated as members. The goal of TCNN is to collaborate in developing projects and a carbon offset market.

- **UNGC & GCNT Forum**

SCGP participated in the United Nations Global Compact (UNGC) and joined in the Global Compact Network Thailand Forum (GCNT Forum) organized by the Thai Global Compact Network and the United Nations in Thailand on November 2<sup>nd</sup>, 2022, including declared the intention to address the issue of "Preventing and solving problems caused by climate change"

"We aim to effectively manage and implement policies, leverage the diversity of biodiversity with sustainability and integrity throughout the supply chain, and establish a system for assessing and monitoring biodiversity values. Additionally, we strive to engage communities and involve all stakeholders, and support the effort through financial mechanisms, scientific management and international cooperation to help Thailand achieve its target of protecting at least 30% of its terrestrial and marine areas by the year 2030."

Moreover, SCGP participated in a talk session on the topic of smart cities, and real estate/retail/consumer goods.

## Business Partner Voices



The climate change conditions are affecting companies in the agricultural and livestock production sector. The company are aware of the significance of the global warming problem and want to reduce greenhouse gas emissions in accordance with national and international standards. This requires cooperation with all stakeholders, particularly with SCGP for developing Green Products and the carbon footprint of products. In addition, there is an opportunity for sharing knowledge and collaborating to reduce greenhouse gas emissions in the future for the sustainability of all parties."

**Pattranakiat Chaisomsakrudee**  
Executive Vice President  
Sustainability Department  
Betagro Public Company Limited



- **Business Partner Award 2022**

Thai Containers Group Company Limited receives Silver Award for Business Partner Award 2022 from ThaiBev Co., Ltd. at the SX Partnerships for the Goals : TSCN Business Partner Conference 2022



## Circular Economy Collaborations

### • "Zero Waste Community" Project

The project aimed at creating a model community waste management system. SCGP provides knowledge on waste segregation to recycle and generate income based on circular economy principle. In 2022, 96 communities in Ratchaburi, Kanchanaburi, Prachinburi, and Khon Kaen province participated in this project. SCGP also collaborates with local government agencies and nearby industrial plants to execute waste management projects.

### • "PackBack collects packaging for a sustainable future." Project

SCGP joined a project initiated by the Thailand Institute of Packaging and Recycling for the Environment (TIPMSE) and more than 70 organizations in the Thai industrial sector, aiming to drive packaging used management through the circular economy principle. The project began with 3 pilot projects in Chonburi province to expand its impact nationwide.



## Water Management Collaborations

### • Water User Organizations and River Basin Committee

SCGP has joined the establishment of the Water User Organization and River Basin Committee, under the Water Resources Act of 2018, under the supervision of the National Water Resources Committee. The representative of SCGP and its stakeholders have a role in determining the management direction of water resources focusing in 5 major watersheds: Mae Klong, Eastern Seaboard, Bang Pakong, Chi, and Tha Chin.

## Disaster Management Collaboration



### • S.E.R.T.

SCGP has established the SCGP Emergency Response Team (S.E.R.T.), which is a response team for emergency situations that occur within and outside the factory. The aim is to effectively handle increasingly diverse and severe emergency situations that occur yearly, reduce the loss and increase safety in life and properties of companies and communities, including promoting cooperation between the private sector and the government, such as creating a plan to reduce disaster risk in Kanchanaburi and Ratchaburi Provinces, with plans to expand to Khon Kaen and Prachinburi Provinces. Moreover, SCGP has cooperated with the government and private networks such as

the Department of Disaster Prevention and Mitigation, the Royal Thai Army Development Unit, the Royal Thai Army, the Engineering Corps, Ruamkatanyu Foundation, Poh Teck Tung Foundation, Disaster Response Association (Oneness Thailand Team: OTT), Thai Network for Disaster Resilience (TNDR), and etc. S.E.R.T. works in cooperation with these organizations to support "Private Sector Partnership in Disaster Risk Reduction for Sustainability, PSP" through learning, training, knowledge and technology sharing, including organizing annual rehearsals together to learn skills, practice, and train the team to always be ready.



Award for  
Excellent  
Customer  
Partnerships

### • BETAGRO Supplier Excellence Awards

Thai Containers Group Company Limited received the BETAGRO Supplier Excellence Award from BETAGRO Company Public Company Limited for the first time under the concept of "Growing Together with Sustainability" for recognizing outstanding performance by its business partner in the year 2021.

Joining the S.E.R.T. team provides a lot of training and personal development opportunities. Women play the same role as men in the team, facing physical challenges of all kinds, and providing aid to female as well. Thank you to the organization for promoting gender equality and providing opportunities for women to be part of the team."

**Pienpen Limpothong**  
CSR Staff Team S.E.R.T.  
Sponsored by  
Director-Wangsala Mill





# ESG IN FOCUS

SCGP is committed to Net Zero  
**32**  
Encouraging all measures to reduce  
and remove greenhouse gases

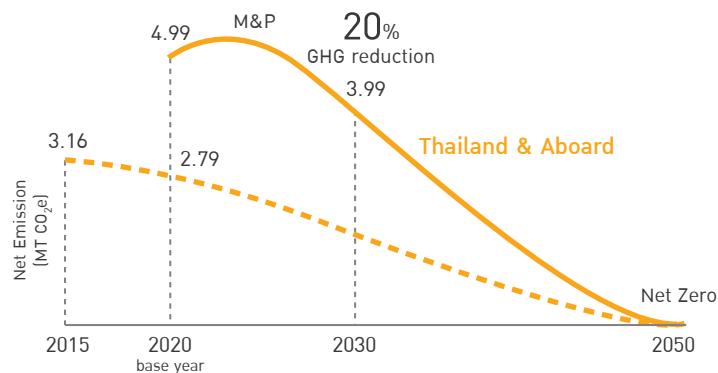
High-Tech Innovation coupled  
with Low Carbon  
**36**

Circular Economy Across Supply Chain  
**40**



# SCGP is committed to Net Zero

## Encouraging all measures to reduce and remove greenhouse gases



**S**ince 2021, Thailand has been showing commitment alongside other countries in setting a target for Carbon Neutrality by 2050 and achieving Net Zero emissions by 2065. SCGP has also set its own target to reach Net Zero by 2050 and reduce greenhouse gas emissions at least 20% by 2030 compared with the base year of 2020, both Thailand and aboard.

It is accepted that human activities are a major cause of greenhouse gas emissions into the atmosphere, leading to a rise in global average temperatures and causing climate change, affecting the environment, human life, and economic development, such as natural disasters, heat waves, droughts, food shortages, or new pandemics with a stronger trend.

The current global crisis is a challenge that requires collective efforts from all sectors to change our behaviors and activities, which are the root causes of global warming and climate change. SCGP, a business organization in the industrial sector that plays a significant role in greenhouse gas emissions, is committed to implementing various strategies to reduce emissions and increase carbon removal, by fostering collaboration with stakeholders throughout the value chain, to achieve its set goals.

In 2022, one year has passed since the announcement of the initiative. SCGP is taking steps towards a sustainable future for the world by promoting various challenging measures.



## The determination amidst the instability of the world in 2022.

The ongoing Russo-Ukrainian war and the changing climate have caused energy costs, especially the price of fossil fuels, to rise. The changing climate has also led to severe weather conditions, including intense storms, floods, and droughts in many parts of the world.

The increasing awareness of the impact of global warming has led to a growing interest in environmentally friendly products among consumers. Meanwhile, businesses are beginning to pay more attention to competition in low-carbon markets, and governments are starting to implement stricter laws regarding climate change, such as carbon tax policies, which will directly affect businesses and industries.

SCGP consistently monitors and assesses the risks to its business and creates preventive measures to accommodate various situations under the management of the Risk Management Committee and the Energy & Climate Change Committee. The company has established and disclosed its management of climate-related issues aligned with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) since 2021 to assess and manage the risks of climate change and continuously conduct its business, seeking sustainable opportunities amidst the changes.

**Click here for our TCFD report**

Link: [https://sustainability.scgpackaging.com/  
en/environmental/climate-resilience](https://sustainability.scgpackaging.com/en/environmental/climate-resilience)



The board of directors and top management of SCGP are committed to overseeing and managing the reduction of greenhouse gas emissions through the Climate Change Task Force and the Natural Climate Solutions working group, which implements the policy. The progress and results are monitored and evaluated regularly through quarterly meetings to ensure that all activities are well coordinated and effective towards achieving their goals.

In 2022, SCGP increased its challenge to help control the global temperature from rising beyond 2 degrees Celsius by promoting science-based initiatives such as the Science-based Targets Initiatives (SBTi) to reduce greenhouse gas emissions, covering both direct emissions (Scope 1) and indirect emissions (Scope 2) based on the baseline year of 2020. In addition, it has started collecting data on other indirect emissions (Scope 3) to better manage greenhouse gas emissions in the future.

SCGP recognizes the importance of all parties working together to solve climate change issues. In 2022, it became a member of the Thailand Carbon Neutral Network, as a Climate Leading Organization to promote collaboration between the public sector, private sector, and local communities, in enhancing greenhouse gas reduction and supporting the domestic carbon credit trading market.



## Elevating the strategy towards the goal of Net Zero.

SCGP sets its strategy towards the goal of achieving net-zero greenhouse gas emissions by dividing it into two main parts, reducing greenhouse gas emissions to the maximum extent and removing greenhouse gases to the maximum extent with various measures.

Reducing greenhouse gas emissions is comprised of three measures:

- Improving energy efficiency by upgrading or changing to the best available technology at the time.
- Increase the use of renewable energy sources and clean energy sources, such as biomass and biogas.
- Develop low-carbon products in line with a circular economy.

GHG removal is comprised of two measures:

- Collaborate with national and international organizations to study carbon capture and storage (CCUS) technology and to increase its maturity.
- Support and participate in the conservation and restoration of forests and ecosystems to increase biodiversity and provide additional carbon sequestration areas.

And, economic tools are utilized, such as Internal Carbon Pricing (ICP), to encourage the reduction of greenhouse gas emissions.

For many years, SCGP has consistently implemented various strategies towards this goal, resulting in a reduction of energy usage by 6.8% compared with BAU at the base year of 2007. The company has also been able to continuously reduce greenhouse gas emissions, with a decrease of 12.7% in 2022 compared with the base of 2020.

## Research and development of technology to accelerate the reduction of greenhouse gas emissions.

Currently, SCGP directly releases about 90% of its greenhouse gas emissions (Scope 1) and indirectly releases about 10% (Scope 2) from the activities of its factories and other facilities through the use of energy such as heat and electricity.

SCGP emphasizes improving the efficiency of machinery, production processes, and equipment in all stages, with the aim of increasing energy efficiency and reducing energy consumption. This is important in reducing greenhouse gas emissions, by incorporating new innovations in both domestic and international factories, especially with the use of online digital control systems. Sensors are installed to monitor the values of different equipment in the paper production process, and AI Data Analytics is utilized to analyze and control operations for maximum efficiency, instead of relying on manual inspection or control by employees. Examples of systems include monitoring the air flow in the Dryer Part, controlling the consistency of the pulp in the paper production process, and measuring the quality of wastewater.

In year 2022, SCGP implemented measures to increase water discharge efficiency from boilers in its paper production processes at 5 plants both domestically



and abroad with automated systems, saving 78,732 GJ of energy per year and reducing the emission of 7,978 tons of carbon dioxide equivalent per year.

The abroad factory, PT Fajar Surya Wisesa Tbk in Indonesia, has made an interesting advancement. They have optimized the water extraction system from the paper. by installing machines with new technology instead of the old system. This reduces the use of electricity and anti-scale chemicals. It saves energy by 172,214 gigajoules per year and reduces greenhouse gas emissions by 13,239 tons of carbon dioxide equivalent per year and upgraded its wastewater treatment system from using electrical energy to an anaerobic system, reducing their use of electricity. Furthermore, they have used biogas to generate electricity, replacing the use of coal. This has reduced the use of coal by 22,000 tons per year, reduced the emission of greenhouse gasses by 36,000 tons of carbon dioxide equivalent per year, and saved 58 million Baht per year in coal costs.

Another important measure is to increase the proportion of renewable energy and clean energy use instead of fossil fuel use. In the electricity energy sources, SCGP has continuously installed solar power systems every year since 2018. Both rooftop and ground-mounted solar farms have been installed. In 2022, the company expanded the installation of solar energy to seven other companies in Thailand, adding a total of 10.5 megawatts to the current capacity, bringing the total capacity of solar energy production to 22.3 megawatts to date. This has helped to reduce greenhouse gas emissions by 10,238 tons of carbon dioxide equivalent per year.

SCGP is working to build partnerships with communities in the provinces of Kanchanaburi, Ratchaburi, Suphan Buri, and Petchaburi to purchase agricultural waste materials, such as sugarcane leaves conversion into biomass fuel. They are also upgrading their equipment to allow for the use of biomass fuel instead of coal. Additionally, SCGP is researching various types of biomass, such as tree branches and sugarcane leaves, to improve their properties so that they can be used as a fuel source that is similar to coal. In the year 2022, SCGP has been studying and testing the use of wood pallets as a fuel source. They have found that wood pallets have a higher calorific value than wood bark and have properties similar to coal, allowing them to be used as a substitute. By working with communities in these provinces, SCGP is promoting sustainable agriculture and reducing the use of non-renewable energy sources.

In the overall use of biofuel, in the year 2022 SCGP was able to increase the use of bioenergy to replace the use of coal in steam boilers from 6.2% (344,526 tons per year) to 8.4% (496,878 tons per year), reducing the emission of greenhouse gases by 287,210 tons of carbon dioxide equivalent per year to 404,478 tons of carbon dioxide equivalent per year.

SCGP recognizes the importance of increasing the proportion of renewable energy and improving production efficiency in the factory to make it environmentally friendly, both upstream and downstream. It also sees the significance of reducing greenhouse gas emissions on the downstream side, particularly through the continuous research and development of low-carbon products delivered to customers and consumers. This involves reducing the usage of raw materials, resources, and energy in production while ensuring that



the new products have equal or better quality and a longer lifespan than their traditional counterparts, and can be recycled in line with circular economy principles.

SCGP supports the disclosure of greenhouse gas emissions data of products to meet customer interests and respond to the stringent carbon import tax regulations that are being implemented globally. By promoting products to receive the Product Carbon Footprint Label (PCF) from Thailand Greenhouse Gas Management Organization (Public Organization), it will serve as a data foundation for further product development to reduce carbon emissions in the future.

In 2022, Thai Containers Group Co., Ltd. received the Product Carbon Footprint Label certification for 37 categories of corrugated containers, and continues to work towards expanding their efforts in the future.



## Promote and support carbon removal with Natural Climate Solution.

SCGP has embraced Natural Climate Solutions (NCS) concept, which uses natural forests as a source of carbon sequestration to address the issue of climate change. In the year 2019, the Natural Climate Solutions committee was established to plan and implement forestry and conservation initiatives in collaboration with government agencies, private organizations, and communities. The committee has continuously carried out various projects such as reforestation in both industrial and non-industrial areas through initiatives such as the "Plant the tree to save the world" project.

In 2022, SCGP organized a tree-planting activity with various organizations and communities, planting a total of 999,263 trees. As a result, the total number of trees planted since 2020 has now reached 1,128,675 trees. This is equivalent to the carbon dioxide sequestered, which is estimated to be around 10,722 tons of carbon dioxide equivalent.

In addition, to support the planting and preservation of forests to absorb and store carbon dioxide, SCGP can use them as carbon credits in the future. This supports the T-VER (Thailand Voluntary Emission Reduction Program) registered project and the private sector's voluntary effort to reduce greenhouse gas emissions in accordance with Thailand's standards. The project is managed by Thailand Greenhouse Gas Management Organization (Public Organization). In year 2021, SCGP, together with Siam Forest Company Limited, took part in the protection of the forest area of Kampaengphet Plantation project. They registered the T-VER project for an area of 684.4 rais (109.5 hectares). The project has a carbon sequestration base of 14,315 tons of carbon dioxide equivalent. Currently, SCGP is expanding its cooperation with Siam Forest Company Limited in the conservation park area and the area of Siam Kraft Industry Company Limited (Ban Pong mill and Wang Sala mill) and Phoenix Pulp & Paper Public Company Limited, totaling 7,138 rais (1,142.08 hectares). The data is being verified for T-VER registration in year 2023.

For new technologies and advancements in carbon capture and storage, research and development are still ongoing. Leading institutions and organizations around the world are exploring ways to make the technology practical and feasible. The SCGP is keeping a close eye on the progress and trying to actively participate in the developments, in order to bring appropriate innovations to the organization.

However, supporting investment in new projects to reduce greenhouse gas emissions or to mitigate carbon sequestration is important. Using economic tools, such as Internal Carbon Pricing (ICP), the SCGP sets an internal carbon price for the years 2022-2024 with a maximum value of 25 US dollars per ton of carbon dioxide equivalent, an increase from the previous year's rate of 18 US dollars, in order to accelerate support for various projects.

Currently, 5 projects have been supported by ICP, with a total investment of THB 159 million. It is expected that these projects will help reduce greenhouse gas emissions by a total of 7,550 tons of carbon dioxide equivalent per year.

.....  
Although it will take 28 years until the year 2050, which is the target year to become a Net Zero emitting organization, the goal is not easily achievable.

SCGP still announces its determination, drives, and implements every feasible measure with the latest knowledge and technology

Collaborating continuously and sincerely with all sectors for a better world and for everyone.

The world is in a fast-paced era of change. With technology advancing and transforming our lives and businesses. While natural disasters and environmental issues remain a difficult challenge, both global warming and resource scarcity impact humanity's unending needs. SCGP always seeks innovation to offer a modern lifestyle, caters to the current era, to answer the demands of life in harmony with nature, emphasizing the importance of sustainable values, using technology and innovation to create resilience. SCGP believes that we can make technology, the environment, and a good way of life all go hand in hand and that this is not an impossible task.

# High-Tech Innovation coupled with Low Carbon

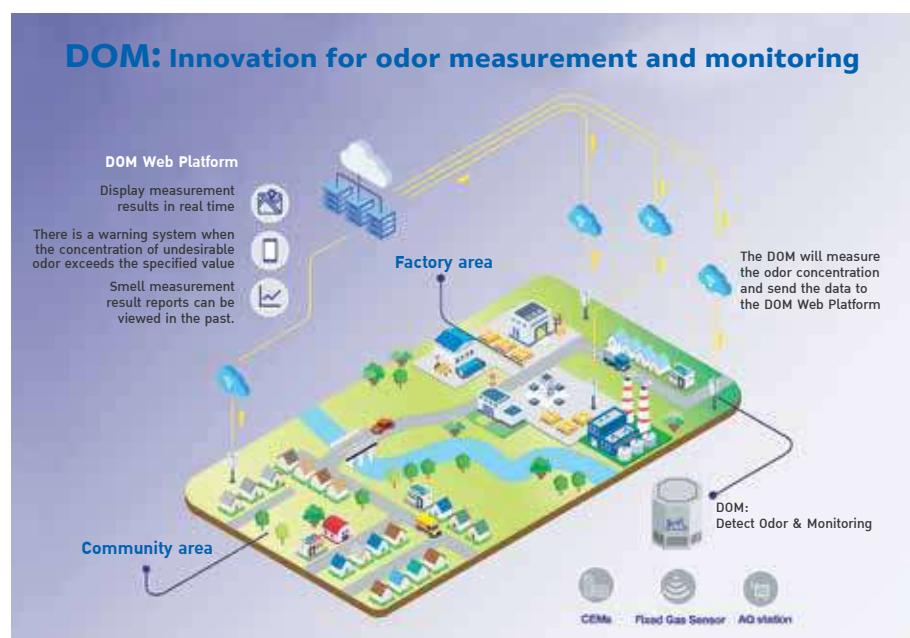


Since odor is easily sensed but difficult to quantify

Industrial factories must take care not to generate dangerous or undesirable scents.

Detecting Odor & Monitoring, or "DOM," is a breakthrough odor detection and monitoring invention that collects odor samples for chemical analysis and evaluates the strength of the odor through its dispersion in the environment, coupled with meteorological data, wind direction, and odor panelists.

DOM uses a combination of hardware and software technologies to collect and analyze odor samples, measure their concentration and dispersion in the environment with the help of meteorological data, wind direction, and odor panelists. The system features custom-built sensors that



detect and monitor the concentration of various unpleasant scents such as ammonia, hydrogen sulfide, ethylene oxide, and PM2.5. The real-time results are displayed on a dashboard, providing numerical data and odor distribution ranges for straightforward and effective corrective action.

SCGP's research and engineering teams have meticulously researched, designed, and tested the DOM system, ensuring its effectiveness in SCGP factories before expanding its services to other enterprises. In 2020, the National Innovation Agency (Public Organization), Ministry of Higher Education, Science, Research, and Innovation, recognized the product design and service of DOM with the National Innovation Award, in the service design category.



Traditionally, odor detection has relied on human senses, which are limited in their ability to detect certain odors and gases. In addition, it can be difficult to track the source of the odor when wind direction changes. However, the "DOM" innovation developed by experts in science, engineering, and programming has revolutionized odor detection and monitoring by utilizing machine learning. With its advanced capabilities, the system can even pinpoint the exact source of the odor, empowering operators to proactively prevent and solve odor issues at the sources."

#### Dr. Thipnakarin Boonfueng

Senior Researcher (Project Manager),  
Innovation and Product Development  
Center, SCGP



Industrial operations such as animal food manufacturing, alcohol production, agricultural product processing, vehicle painting, and petrochemicals, among others, may face odor complaints if effective management systems are not in place. DOM can assist with the evaluation, measurement, and monitoring of the origins of these complaints, providing access to historical data that allows businesses to analyze and compare data to identify the main cause of the odor. It is the responsibility of all industrial operations to manage their odor emissions and prevent them from affecting the environment and surrounding communities.



## The magnificent "Nanocellulose" of the paper world

The future is moving towards a green technology era.

As the demand for green technology increases, researchers and developers in various industries are striving to meet this need through innovation.

SCGP's researchers have contributed to this cause by developing high-quality fiber for appropriate production process.

paper production. Through an appropriate production process. The product is nanocellulose fibers, which are produced from agricultural waste materials such as rice straw, bagasse, and pineapple leaves. The development of this method of raw material preparation and production process has helped overcome many limitations in industrial-scale production of nanocellulose fibers. This is the challenge of researchers.

SCGP's nanocellulose fibers have properties that enhance strength and resistance to water, oil, and carbon dioxide. In 2020, SCGP utilized these fibers in the production of commercial paper products and replaced the use of imported long-fiber pulp by more than 50-100% of the normal usage.



The production of Nanocellulose fibers by SCGP has resulted in lightweight packaging materials that are strong enough to ensure products reaching consumers in optimal condition during transportation. Moreover, it also enhances the opportunities for packaging and other business growth.

The use of these fibers can reduce the cost of importing raw materials for paper and packaging production while also supporting farmers' income. Consumers gain benefit from stronger and lighter packaging products that save energy in transportation while reduce waste and contribute to the sustainable use of resources.

This innovative approach represents a significant step forward for the paper packaging industry and offers benefits for society as a whole.



Innovation must not only cater to consumer needs, but also improve the quality of life in society and drive economic growth. The development of 'Nanocellulose Fibers' is a prime example of such an innovation, with patents secured both in Thailand and abroad to protect intellectual property. The success of this innovation has led to its expansion in 2022 to abroad paper packaging factories, and we believe that its properties can be further developed for use in other industries. With its water absorbency property, there is potential for growth in the cosmetics industry, and most importantly, the products made with Nanocellulose Fibers can be recycled."

#### **Dr. Kasinee Thitiwutthisakul**

Project Lead, SCGP's Innovation and Product Development Center



## **"Fest" Food Safety Packaging**

**Meeting Diverse User Needs  
with a Range of Options**



In today's fast-paced lifestyle, with the rise demand of food delivery and takeaway services and environmentally conscious, consumers are increasingly looking for food packaging that is not only safe but also sustainable. That's why SCGP has developed Fest, a line of clean and safe food packaging that meets international BRC certified standards. Fest offers two main product lines: Fest Choice, which is recyclable, and Fest Bio, which is biodegradable.

Now, Fest is proud to introduce its latest innovation: "Fest Chill". This new product is made from 100% Eucalyptus pulp and coated with a special film that allows direct contact with food. Fest Chill can withstand hot food up to 120 degrees Celsius and has been rigorously tested for cleanliness and safety. In addition, the packaging is designed to meet the needs of long-distance delivery services, withstanding stacking and ensuring food quality.

The unique feature of Fest Chill is its ability to be peeled off, separating the packaging into two parts: one that can be recycled, and the other that is 100% biodegradable. This innovation is not only good for consumers but also for businesses, society and the environment.

Fest is one of SCGP's products that has received the SCG Green Choice label, which guarantees consumers high-quality products that contribute to sustainability for the world.

Fest for food...Safe for you

## R1 and R1+ Lightweight Polymer Containers

### Circular Economy Principles Applied in Polymer Container Development

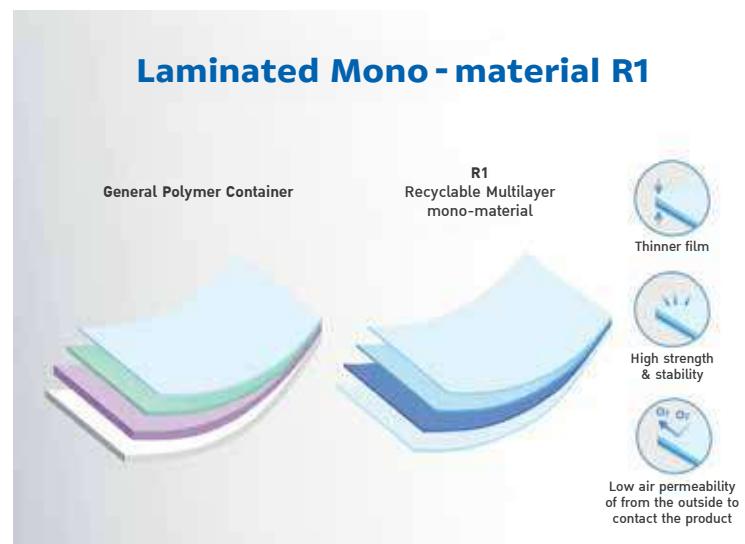
Multilayer polymer containers are commonly composed of two or more different compositions, but they often pose challenges in recycling and can end up as plastic waste in landfills.

SCGP is committed to promoting the circular economy principles in its flexible packaging solutions by developing products and solutions that are sustainable and environmentally friendly.

To address this issue, SCGP has developed a lightweight laminated mono-material, also known as "R1.", which is made from a single type of polymer for each layer, making it 100% recyclable. This product not only protects the product and withstands impact, but also conserves natural resources and reduces waste.

In 2022, SCGP improved the properties of R1 with the introduction of "R1+", which provides better

### Laminated Mono - material R1



protection for the product and is more resistant to oxygen permeation to extend the shelf life of food or packaged products. Moreover, SCGP invested in high-quality 5-layer film blowing technology and Machine-Direction Orientation film (MDO film), which can produce thin plastic films while having more strength and stability than conventional polyethylene technology. These films can replace some materials like PET and Nylon that are difficult to recycle and can be printed at high speed, making them ideal and currently used for retail rice bags and frozen food bags.

SCGP's commitment to sustainable packaging solutions is reflected in its actions, which aim to turn ideas into reality. By promoting environmentally friendly and sustainable products like R1, SCGP strives to create a better future for both the environment and society.



**E**very day, we produce, use, and discard countless materials, with much of them wasted and improperly disposed of. This results in a large amount of waste, which harms both the health of the community and the environment.

Not considering the limited natural resources, but instead being used wastefully. The production process, which requires advanced technology and a lot of energy, is then carried out, but it has an incredibly short lifespan.

All these problems can be solved by adopting the Circular Economy principles which follow the principle of "make-use-return" to maximize resource utilization and reduce resource consumption.

SCGP is dedicated to using the Circular Economy Principle model that aligns with ESG principles to deliver high-quality products, services, and solutions to society with responsibility and to promote the collection and recycling of used products for remanufacturing responsibly.



## Circular Economy Across Supply Chain

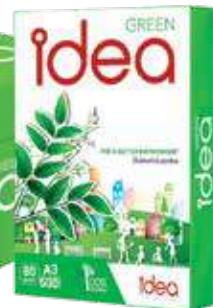


### Targets

### Year 2022

- The Volume of Recyclable, Reusable, or Compostable Packaging equals 100% of total volume of packaging by 2025

**99.7%**



### Strategy

- Incorporate the Circular Economy principles in developing products and services to generate and retain their maximum material core values.
- Promote the use of bio-based or renewable materials with recyclability with certification.
- Research and develop innovations to extend the life of products and components.
- Use the Sharing Platform to make the most of our resources.
- Collaborate with customers and business partners throughout the value chain to efficiently manage the resources.
- Collect and manage waste for reuse and recycling.
- Transform the business model according to the concept of making Products as a Service.
- Become a member of national and international associations to drive implementations toward the mutual goal following the Circular Economy principles.



Since 2020, SCGP has announced a Self-Declaration policy in accordance with the FSC's principles to determine activities that organizations will not accept and that conflict with the principles of the FSC™ as follows:

- Illegal logging or trade in illegal timber or products from illegal forests.
- Violation of cultural and human rights in forest operations.
- Destruction of high conservation values in forest operations.
- Harvesting of timber from natural forests for purposes other than forestry.
- Harvesting of genetically modified planted forest species.



## "Upstream": Starting at "Raw materials"

SCGP currently develops packaging from two main materials, paper, and polymer, commonly known as plastic. The sustainability of SCGP starts from the management of procuring raw materials, such as paper pulp and plastic pellets, in an environmentally friendly manner.

In the case of paper pulp, we are committed to managing sustainable economic forests for paper pulp production following the Forest Stewardship Council (FSC™) standards. The forest plantation will be located outside and not in conservation areas to ensure that the natural habitats are not disturbed. This guarantees that there will be no impact on the environment from the cutting of natural trees.

In 2022, SCGP planted Eucalyptus trees in company-owned operation land for a total of 20,894 rai (3,343 hectares) which is 100% SCGP's wooden products certified according to the FSC™ - FM/COC: FSC™ C012207 standards.

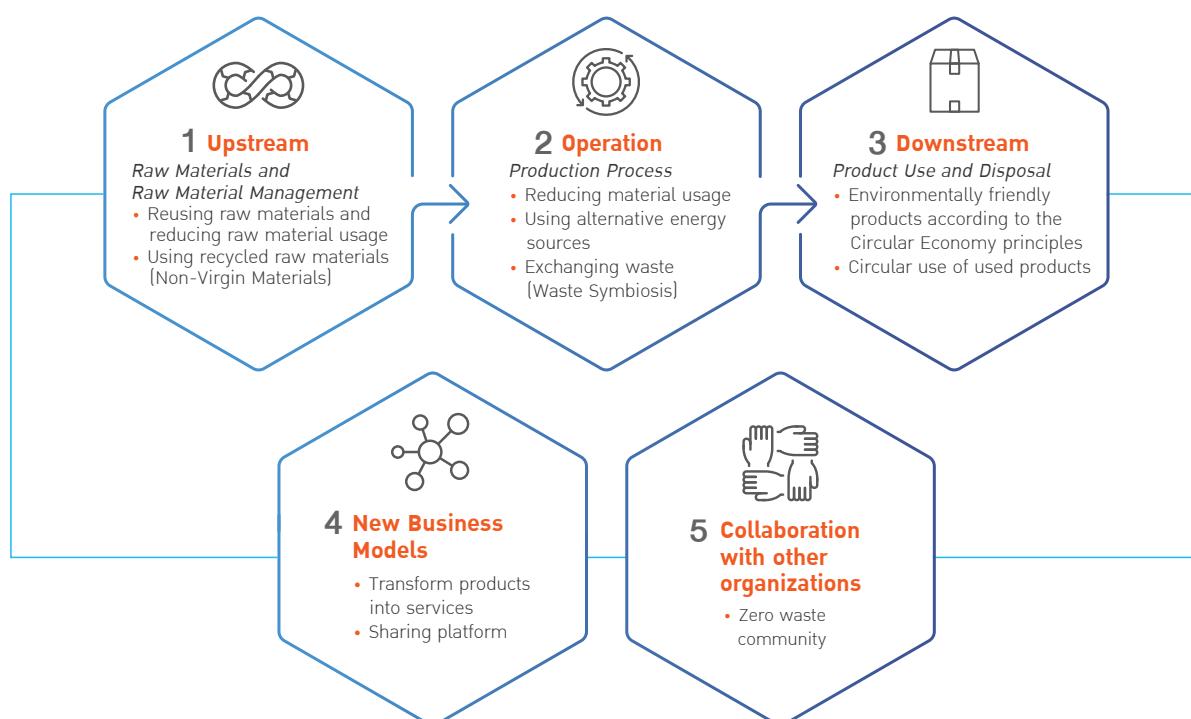
In the polymer section, SCGP emphasizes research and development of production processes that help reduce raw material use and the recycling of used plastic into high-quality recycled plastic pellets, to continuously decrease the use of virgin resin.

In 2022, in the development of Food Direct Contact High Barrier Cup packaging, we were able to reduce the amount of plastic used by over 25 tons (from 41 million cups produced). This made the cups thinner and lighter by 8% while still maintaining the important quality properties of the packaging. In addition, we're rolling out a similar concept to other products and expect material reduction more than 250 tons per annum.

Concerning the production of polymer packaging with supportive material like post-consumer recycled resin (PCR), the success story is that collaboration between Conimex Co., Ltd., and Shell (Thailand) Co., Ltd. in using recycled plastic as a supplement in the production of polymer products is demonstrated by the development of a recycling-based lubricant oil packaging that received the 2022 Asia Pacific Supplier Award for Environmental Sustainability from Shell Lubricant Asia-Pacific. This product contains 25% of Post-Consumer Recycled (PCR) resin and helps reduce greenhouse gas emissions by more than 439 tons of carbon dioxide, which is 17% of Shell's total reduction of greenhouse gas emissions in the Asia Pacific region in 2022.



## The Circular Economy Principles of the SCGP's Value Chain



## Operation: Use clean energy and manage waste responsibly

During the process of converting raw materials into finished products and packaging, machinery is utilized that requires energy to operate, and inevitably generates by-products such as water, solvents, and waste that are challenging to eliminate entirely.

SCGP has been actively promoting the use of solar energy as a source of electricity since 2021, and has installed an additional 10.5 megawatts of solar capacity in 2025. With a total of 22.3 megawatts of solar energy production capacity distributed across SCGP's factories in different provinces, the company is committed to sustainable energy practices.

We are committed to leveraging technology for waste recycling in our production processes, as evidenced by the successful implementation of the Solvent Recycling System. Following its successful use in two factories for managing solvents used in washing printing ink from flexible packaging production in 2020, we expanded its deployment to all factories of Prepack (Thailand) Co., Ltd. in Thailand and Tin Thanh Packaging Joint Stock - BATICO Co., Ltd. in Vietnam by 2022. By adopting this system, we have reduced external disposal of waste solvents by 600 tons, while also enabling us to reuse recycled solvents in our production processes.

The circular economy approach to waste management extends beyond individual factories and creates opportunities for inter-factory collaboration in the reuse of waste as raw materials.

The Consumer and Performance Packaging Business, a division of SCGP, places importance on sustainably reducing industrial waste. There is a concerted effort to utilize post-industrial recycled plastic (PIR), both internal and across factories, in the business operations to reduce the disposal of potentially non-hazardous waste outside the company. The post-industrial recycled plastic (PIR) is used to replace virgin plastic pellets in the production process. This PIR plastic is sourced from Prepack (Thailand) Co., Ltd. a company that produces flexible packaging products. The PIR plastic is then mixed with polyethylene produced by Conimex Co., Ltd. to create tubing products. This is a company that produces rigid packaging products and includes the production of PIR products and collaborates with external companies in transforming into other products, such as plastic pallets used within the factory, storage containers, and others. Within 2022, The Consumer and Performance Packaging Business reduced the waste output of the industry outside exceeding 100 tons.



## Downstream: Non-waste packaging

Even though the situation of the COVID-19 pandemic is starting to ease, the new normal way of life still has a significant impact on consumer behavior, as online ordering of goods and food has become a normal part of daily life. However, one of the environmental impacts of this shift is the increase in the amount of packaging waste.

The development of compostable or easily recyclable packaging is important in reducing and mitigating these new environmental challenges.

An example of success in 2022 is the project by GO-PAK UK Co., Ltd, a leading company in European packaging, which is the owner of the popular Edenware brand. The company joined forces with Thai Paper Co., Ltd. to develop pulp made from Eucalyptus cellulose which was produced by Siam Kraft Co., Ltd at their Wang-Sala factory. The pulp was developed to be environmentally friendly and compostable. The pulp was also graded PFAS Free and sold to customers in the UK and Europe, emphasizing the importance of environmentally friendly products. The sales reached over 100 tons.

Prepack (Thailand) Co., Ltd has developed a light weight polymer packaging that can be recycled by using the same film type for multiple layers (Mono-material Packaging) instead of using different film types (Multi-material), which are difficult to recycle. The packaging still retains its properties in protecting the product, such as moisture, and air, and extending the product shelf life, similar to conventional packaging. In addition to using the same film type in the production of bags, Prepack has also collaborated with Dow Chemical (Thailand) Co., Ltd. to develop thinner films, reducing the film thickness from 110 microns to 100 microns and the ultimate goal is 90 microns, to reduce resource consumption. In the next step, Prepack continues to develop mono-material products with long shelf life. The new technology, called "Mono-material with the barrier (R1 Plus)," protects against moisture, air, and various chemical reactions. The development is based on multiple technologies and ongoing research and development efforts. The criteria for consideration is that the barrier component should not exceed 5% of the total material composition. In addition, to meet the demand for Mono-material with the barrier, Prepack invested in a Machine Direction Oriented (MDO) film-blowing system. The resulting product is a special type of stretchable plastic film produced along the machine's direction. This production process allows for thinner film production while increasing its strength, stability, and non-elasticity compared to films produced through general blow molding processes. As a result, it can be printed quickly and without image distortion issues.





## SCGP Recycle: Creating Sustainability through Collaboration

Waste that lies in a trash can or landfill is still waste with no value. The challenge of the circular economy is to make waste from every place return to the desired factory.

SCGP established the SCGP Recycle business to manage waste materials in an efficient, comprehensive, and environmentally-friendly manner (Closed Loop). This includes creating an experience for consumers to participate in the circular economy by providing access to proper waste management channels, such as Drop Points, and a transparent and trustworthy waste management system, including data collection, reporting, the use of EV vehicles, and collaboration with all stakeholders, such as old-for-new exchange programs and paper recycling initiatives.

In 2022, SCGP Recycle teamed up with over 50 different partners to recycle waste paper. They established drop points with partners in housing projects and condominiums, collected used cardboard boxes from Uniqlo branches, set up recycling points at over 1,200 Thai Post branches, and organized the "Box Born Again" event with SHOPEE to receive used boxes and process them through correct recycling methods at over 104 points.

In addition, SCGP Recycle also plays the role of a connector in the recycling process by managing the waste recycling of plastics and other recyclables from retailers and modern trade outlets such as CP Lotus, CPALL, Homepro, and Central Group, etc., by delivering directly to recycling factories (Connect the dots) to support the Circular Economy in terms of plastics and other recyclables. This not only responds to consumers' intentions but also supports businesses, enhances the image of the organization's sustainability, and can be referenced in various standard reports to reflect the organization's commitment to improving the quality of life for residents, employees, and communities. It is a collaboration to create sustainability for society.



- SCGP is one of the first 30 companies in Thailand to receive the Circular Mark certification for the environment for 5 leading products, including Idea Green copier paper, consumer paper bags, Fest Bio, Laminated Mono-material (R1), and pet shampoo bottles made from 100% PCR HDPE plastic. This demonstrates the company's leadership in the Circular Economy among Thai and international businesses and certifies the quality of environmentally-friendly and circular-economy-focused products and packaging. The production process is environmentally friendly and involves the proper collection and recycling of waste materials.

- In 2022, Prepack (Thailand) Co., Ltd. has received the ISCC PLUS standard from International Sustainability and Carbon Certification (ISCC), which certifies organizations that conduct business sustainably from sourcing raw materials, storage, quantity control, production of plastic resins, to sales and delivery through standardized and audited processes. This can enhance product quality and build consumer confidence in environmental aspects.



## Ministry of Industry: 80<sup>th</sup> Year Anniversary, 8,000 Kilograms Recycled

SCGP has the opportunity to collaborate with the Ministry of Industry on the 80th anniversary of the establishment of the Ministry of Industry. This project aims to collect and sort waste paper to be used as raw materials in the industrial sector and recycle it into products delivered to society through awareness and networking activities with 7 organizations. Additionally, Bio-Circular-Green (BCG) knowledge and concepts will be shared with 324 personnel from 133 public and private organizations.

This project collected a total of 11,596 kilograms of waste paper, surpassing the set target of 8,000 kilograms. The waste paper was recycled into products such as paper, boxes, and paper furniture sets, which were then donated to charity organizations and 8 schools.

The project's results are equivalent to reducing the release of 7,885 kilograms of carbon dioxide into the atmosphere. SCGP and the Ministry of Industry have plans to expand the project to other provinces in 2023.





# ESG IN ACTION

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# Forestry and Biodiversity

Expanding conservation area,  
sustainably maintaining the ecosystem.



## Targets

- Biodiversity conservation area certified by FSC™ standards at least 10% of agroforestry area
- No gross deforestation

## Year 2022

**14.4%**

Area of **3,856** rais  
(616.9 hectares)

No gross deforestation

The world is losing biodiversity due to human activities, SCGP recognizes the importance of biodiversity and ecosystems, and thus aims to create cooperation in conserving biodiversity by setting the goal of creating a “Net Positive Impact (NPI) Balance” in all related processes and increasing carbon absorption sources. The project is implemented within the framework of the Thailand T-VER standards and promotes businesses, communities, and the environment to work together consistently under the legal framework and international standards.



## Strategy

- Management of sustainable biodiversity with universal indicators.
- Serve as a model for preserving biodiversity for expanded results in other areas.
- Foster community participation and stakeholder involvement to increase awareness and understanding of conservation.
- Manage the utilization of forest community areas with community involvement and following the principles of community forestry.

## Management

- 1 The FSC™ Management Committee sets policies, objectives, and targets for the management of sustainable forests controls and monitors the implementation to align with FSC™ standard (Forest Stewardship Council™).
- 2 The target is to create a "Net Positive Impact : NPI" in all related processes.
- 3 To involve the community and various organizations in the conservation of the ecosystem and biodiversity.
- 4 To increase forest areas to enhance biodiversity and act as a carbon sink by implementing projects under the T-VER standards in Thailand.



## Eucalyptus planting areas

In 2022, SCGP planted eucalyptus trees in operation areas accounting for 20,894 rais (3,343 hectares). SCGP has no operation sites located in globally or nationally important biodiversity areas, including Thailand's Protected Forest Area.

The proportion of SCGP's wood products that are certified by the FSC™ standard.

- FSC™-CW/COC: FSC-C133879 100% of the total amount of wood used by SCGP
- FSC™-FM/COC: FSC-C012207 100% of wood from SCGP areas which cut to operation process
- FSC™-FM/COC: FSC-C105470 15,077 rais (2,412 hectares) of 100 farmer members

## Promoting the management of small-scale forest sustainability

SCGP is implementing the FSC™-SLIMF (Small or Low-intensity Managed Forest) project for small forests area of no more than 625 rai. The project conducts regular training and provides advice on sustainable forest planting practices according to FSC™ standards to the community. Currently, around 100 farmers are participating as members.

## Survey and assess new conservation area: Khao Cha-ang Forest Park

Siam Forestry Co., Ltd. a subsidiary of SCGP originally had two conservation forest areas, namely Huay Saphan Samakee Community Forest and Kampaeng Phet Forest Park. In 2022, SCGP increased a third conservation forest area, Khao Cha-ang Forest Park, in Nong Phai sub-district, Dan Ma Kham Tia district,

	Khao Cha-ang Forest Park	Huay Saphan Samakee Community Forest	Kampaeng Phet Forest Park
Tree Species	100 species, 74 genera, 30 families	65 species, 51 genera, 27 families	101 species, 77 genera, 33 families
Shannon-Weiner Diversity Index	3.56 (High Level)	2.88 (Medium Level)	3.66 (High Level)
Mammal (Species)	 13	20	15
Reptile (Species)	 7	19	20
Amphibian (Species)	 7	9	12
Bird (Species)	 71	33	56



Kanchanaburi province, with an area of 109.5 rais (17.5 hectares). In 2021, The Biodiversity Research Center assessed SCGP's conservation forest in Kamphaeng Phet plantation and found that the area had a High Conservation Value (HCV) of level 5 (Basic Needs), which is a level that supports the basic needs of the community. The company also surveyed the plant species diversity in the area using the Shannon-Weiner Diversity Index, the result is 3.56, which is considered a high level. This information from the assessment will be used to plan for biodiversity management in the future.

**Do not cut and collect wood chips** ►

## Collaboration in biodiversity conservation

SCGP collaborates with universities and various government institutions to develop knowledge in the field of conservation and management of biodiversity.

- Collaborate with the Forest Research Center, Kasetsart University to survey and conduct long-term research on biodiversity conservation and management of biological diversity and ecosystems.
- Collaborate with the Thai Forest Biodiversity Research Network Coordination Center, Kasetsart University to monitor and present long-term research reports on biodiversity conservation and ecosystem systems within the SCGP network area.
- Work with the Forest Resource Management Office to promote natural resource conservation activities in economically viable forest plantations. SCGP continues to develop Eucalyptus species, with a focus on genetic diversity. In 2022, two new hybrid species were developed, H44 and H46.

## Inspection for maintaining international standards

To ensure confidence that SCGP's operations in biodiversity diversity for both SCGP operations and suppliers comply with legal and regulatory standards in Thailand and internationally, SCGP received external audits from two independent organizations yearly.

### 1. Forestry Research Center

conducts evaluations and assessments of plant and animal species in SCGP's conservation areas, based on the IUCN Red List (2011) and the status of trade between countries under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), to execute align with regulatory requirements.

### 2. Forest Stewardship Council™

inspects and evaluates the operations and results of operations to ensure compliance with FSC™ Standards and collaborates with the community to monitor operations and mitigate operational risks. SCGP aims to have all of the company's forest plantations comply with FSC™-FM standards.



# Water Management

## Mitigating risks with advanced Early Warning System.

Water is a crucial resource for the operations of SCGP, and droughts or floods can have a severe impact on the production process. To reduce water-related risks, SCGP manages water resources in an integrated manner by monitoring water conditions in collaboration with government and external organizations, using digital technology to track and assess water risks, and applying the 3R principle to reduce water usage. Additionally, SCGP also restores and supports ecosystems and provides water to the community for agricultural purposes.



### Targets

- Reduce water withdrawal 35% by 2025 compared with business as usual (BAU) at the base year of 2014

Year 2022

**28%**

Proportions of external water withdrawal usage:

Groundwater	<b>50%</b>
Surface water	<b>44%</b>
Tap water	<b>6%</b>

Proportions of recycle water:

**16.3%**

Amount of external water withdrawal usage per revenue from sales:

**0.5**

million cubic meters per billion baht

### Strategy

- Integrate water management to reduce water-related risks.
- Optimize water usage efficiency in production processes and products.
- Treat effluent to meet quality standards, track and investigate incidents, identify causes, and reduce water discharge.
- Recycle treated wastewater to conserve water resources.
- Restore and support water ecosystems, and promote sustainable water usage in agricultural communities.
- Develop employee expertise in water management to enhance integration and efficiency.

### Management

- SCGP manages water resources in a comprehensive manner through the SCGP Water Management Committee and the SCG Water Management Committee.
- Global tools such as WRI AQUEDUCT and GISTDA satellite images, along with digital systems that assess water risks, are utilized to provide Early Warning System (EWS) based on Business Continuity Management (BCM) principles and Business Continuity Plan (BCP).
- Collaboration with the public sectors, industrial sectors, and relevant stakeholders is done to monitor the water situation and mitigate risks.
- SCGP acts as an industrial sector representative and a knowledgeable expert in the River Basin Committee to determine the direction of water management in Thailand.

### Reducing water usage according to the 3R principle

SCGP has continuously reduced water usage in its production processes by reducing the amount of water used and recycling water through the use of technology and innovation.

- Expanding the use of treated water in production processes has increased the reuse of water, resulting in a reduction of 4 million cubic meters of water usage per year.
- Improving the high-pressure water cleaning system has also reduced water usage by approximately 0.7 million cubic meters per year.
- The Reuse RO Reject Project has further reduced water usage by 0.4 million cubic meters per year.
- Expanding the use of the APM Water Ring, an innovation by SCGP that prevent leak of sealing water in the nozzle area of pump, to all SCGP factories which have reduced water usage by 1.6 million cubic meters per year.





## Assessing water-related risks based on the Business Continuity Management (BCM) principle

SCGP has developed a continuous business plan (Business Continuity Management for Sustainability) to ensure that its business operations are uninterrupted and aligned with the United Nations Office for Disaster Risk Reduction (UNDRR) and the Sendai Framework 7 goals, which focus on reducing risk as the main axis. The data analysis combines data from WRI AQUEDUCT and the National Water Resources Office with the Department of Irrigation to determine the appropriate approach to the situation. In addition, SCGP has sent representatives to join various River Basin Committee, such as the Mae Klong Basin, Bang Pakong Basin, etc., to collaborate with the government and the private sector in managing water in the area sustainably, as well as determining the direction of water management in various areas of Thailand. Furthermore, SCGP continues to focus on innovation to reduce disaster risks, such as:

- SCGP Water Stress Monitoring.** to track and analyze water levels in important dams, to plan and manage water resources, and to engage with the community, such as promoting water conservation efforts during droughts, or digging canals to prevent flooding during the rainy season, and reducing the impact on business operations, such as transportation of raw materials, and preparing for disasters.
- The Early Warning System (EWS),** is an advanced warning system for potential disasters in Thailand and abroad. SCGP has developed this system to improve preparedness and reduce the impact on individuals, businesses, communities, and the environment for sustainability. The data is derived from international disaster risk analysis and connected to the business sector and community.
- Disaster Relief** SCGP has created a volunteer team, the SCGP Emergency Response Team (S.E.R.T.), to help the community. The team operates based on the 3R principle of disaster relief, which is Rescue, Relief (relieve emotional stress), Recovery or Build Back Better.

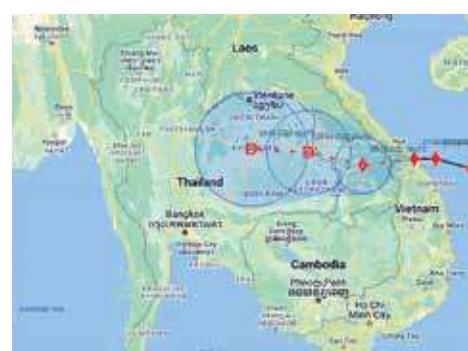
### Early Warning System: EWS

Activities	No. of day before incident ▶
Manage	System disruption Embark on BCP
Retaliate	There is an effect if the danger is not minimized Embark on ERP
Prepare	There is a possibility of advancement and influence BCP/ERP implementation monitoring at the trigger point
Follow	Potential danger exist Monitor movement continuously

BCP : Business Continuity Plan  
ERP : Enterprise Resource Planning

## Ecosystem Restoration: Returning water to nature

- Restoring ecosystems and giving back water to nature, the Community Forest Project in Ban Samakkhi Tham, Kanchanaburi Province is a collaboration between all parties in the area for the conservation of the community forest. It involves the creation of check dams and tree plantation, which helps the community benefit from and value the community forest, creating jobs and income for the community.
- Improving community wastewater treatment system in the Ban Rim Nam Community, Kanchanaburi Province. The project aims to develop water sources for the benefit of the community and conserve water sources for sustainable use. This is done by treating household wastewater at the community level before discharged into the Mae Klong River. The project aims to create awareness of efficient water use.
- SCGP is implementing a Water for Agriculture Project by deliver treated water according to standard quality criteria to farm areas in the Ratchaburi and Kanchanaburi Provinces. In 2022, a total of 2.9 million cubic meters of water was delivered, covering an estimated 4,750 rais (760 hectares), reducing the shortage of water in agriculture and increasing the production and income of farmers.



# Industrial Waste Management

**Committed to recycling waste to create benefits and value-added**

SCGP recognizes the importance of industrial waste management, which is part of the value chain and life cycle of products. The goal is to zero waste from the production process in Thailand to landfill and focuses on research and innovation to develop circular solutions that utilize waste as raw materials or alternative fuel and transform it into products of added value. The use of technology is also utilized to reduce waste from production processes, which can have a negative impact on society and the environment if not managed properly. To achieve good waste management, SCGP incorporates the principles of the 3R (Reduce, Reuse, and Recycle) and the Circular Economy (CE) principles aiming to minimize waste and maximize resources through closed loop systems.

## Strategy

- Strive to reduce and eliminate waste generation at the source and set the indicators for continual assessment.
- Manage industrial waste, hazardous and non-hazardous wastes at maximum within SCG and SCGP following the 3R and Circular Economy principles and using measures or standards issued by the government or world-class organizations aiming to perform beyond compliance.
- Research and develop innovation to reuse, and recycle raw material and waste or create value to waste by converting them to value-added products.

## Management

- 1 Reduce waste starting from stage of product design, material selection and enhancement of production efficiency.
- 2 Govern and support the wastes, which will be managed outside SCGP, to be conform with regulation or effectively manage the waste under environmentally friendly procedures following international collaboration framework.



## Targets

Year **2022**

**0**

**99.95%**

## Upgrading plant to support recycling of plastic-coated paper

- Thai Paper Co., Ltd., Ban Pong Factory is undertaking a project to upgrade its Eco Fiber Plant to support the recycling of plastic-coated paper, which is generated from the production of plastic-coated paper for food packaging, such as leftover from trimming the edges of the paper, leftover from molding, and low-quality waste, etc. This is approximately 2,000 tons of plastic-coated paper. The plastic content in this part is 15-20%, which is higher than what the existing machinery can handle, thus requiring investment in installing new machinery and additional equipment to enable the Eco Fiber Plant to support the recycling process of plastic-coated paper waste. Additionally, the plant was renovated for new equipment installation, total investment at 70 million baht, this is not only enhancing recycling process to separate pulp that replacing virgin pulp from aboard, but also plastic that will be used as alternative fuel in boiler, resulting in coal consumption reduction at the end.





## Waste used as an alternative fuel

One strategy in waste management according to the 3R principles and the circular economy principles is to manage waste by converting it into alternative fuel instead, reducing the use of fossil fuel.

- United Pulp and Paper Co., Inc.** in the Philippines installed a shredder device to shred waste generated from the paper production process into small pieces, to be used as an alternative fuel source in the boiler instead of fossil fuels. The shredder has the capacity to shred 3,300 tons of waste per year, reducing the cost of coal purchases by PHP 15 million peso (about 9 million baht) per year. This project is a part of the company's sustainable initiative, aligned with the global SCGP's policy and goal of zero waste to landfill.



- Thai Cane Paper PLC.** upgraded the quality of waste management in its Prachinburi factory by installing shredder equipment to shred waste from the paper production process, such as wooden pallets, and paper cores, which is normally difficult to dispose of. The equipment was installed to reduce the size of the waste, then used as fuel in the steam boiler. The installation, trial run, and improvement of the process were carried out and the equipment was ready for use in 2022. The installation helped to reduce energy costs and there was a plan to expand the implementation to other factories. The company also studied the automatic belt conveyor feeding of waste into the shredder equipment.

## From Fly Ash to the Interlocking Block: The Innovation for the Earth's Conservation Brick

SCGP collaborates with cement businesses and construction material companies, SCG and SCG Technology Office, to transform fly ash and bottom ash, a by product of solid fuel or coal combustion, into high-quality construction materials named PROBLOCK-ECO Brick such as building blocks, strength bearing block or decorative blocks. This helps reduce the problem of waste disposal and increases the value of waste. In 2022, SCGP developed a new product called Interlocking Block, which uses bottom ash as the raw material in production. It was designed to have a similar appearance to Lego blocks and can be firmly connected without the use of any binding materials. The blocks can be moved, removed, or reconfigured to suit the needs of the area. SCGP is able to utilize 1,500 tons of fly ash and bottom ash per year by using it to produce PROBLOCK and Interlocking Block.

## The volume of waste that is shredded into alternative fuel using a Shredder

Wooden Pallets

**70**  
Tons/Year

Paper Cores

**30**  
Tons/Year

Thai Cane Paper PLC.



# Air Quality Management

Determining to control and reduce the amount of air pollution and odor from the source in the production process.



SCGP manages air quality, both air pollution and factory odors, continuously. With concern for the health of employees and surrounding communities, and in light of increasingly stringent regulations, SCGP is committed to controlling and reducing air pollution and odors from the source of production processes. It promotes the use of renewable energy instead of fossil fuels, uses advanced technology in air management and monitoring, and expands its operations in all factories both domestically and abroad, for the benefit of the well-being and society of the communities in which SCGP operates.



## Targets

## Year 2022

Particulate Matter	<b>9.0%</b>
Sulfur oxides (SO <sub>x</sub> )	<b>5.0%</b>
Nitrogen oxides (NO <sub>x</sub> )	<b>2.7%</b>
0 case	

## Strategy

- Set the goal to reduce air pollution emissions according to international norms among peers and not exceed legal limits.
- Use the best available technology for managing air pollution, both at source and release points, as well as continuously monitoring air quality.
- Encourage community involvement and stakeholders in managing air pollution. And collect feedbacks and concerns regularly.

## Management

- Monitor progress through the Energy and Climate Change Committee , with representatives from various business units working together to develop strategies, goals, and plans.
- The Packaging Paper, Pulp and Paper Products use the Continuous Emission Monitoring System to monitor air quality, and Fiber Packaging, Consumer and Performance Packaging uses spot check approach, and complete verification by external party.
- Train employees who control the air pollution treatment system to comply with the regulations of the Department of Industrial Works.

## Manage particulate matter, SO<sub>x</sub> and NO<sub>x</sub>, with advanced technology

SCGP has increased determination to reduce air pollution by using advanced technology to capture particulate matter with an electrostatic precipitator (ESP) system and capture Sulfur oxides (SO<sub>x</sub>) with white cement, and reduce Nitrogen oxides (NO<sub>x</sub>) emissions using the Terminox GS combustion technology for boilers using natural gas fuel. Additionally, the company utilizes digital control systems to improve production efficiency and achieve the set goals.

## Comprehensive odor monitoring and detection system.

The SCGP has developed a comprehensive Detect Odor & Monitoring system (DOM) to address the impact of air-borne odors on the community. The DOM system received a national award for product and service design innovation in 2020 and was installed in SCGP's factories starting from 2021. In 2022, the DOM system was expanded and installed in all 28 points from 5 pulp and paper factories, achieving 100% coverage.



## Expanding CEMs Internationally

SCGP is continuously expanding the installation of automated Continuous Emissions Monitoring Systems (CEMs) to control air quality in pulp and paper industry groups in Indonesia and Philippines, that is exceeding legal requirement. The installation has already covered 91%.



In addition, SCGP also communicates with the community through the LINE application to receive complaints and communicate news to the community before any odor-causing operations, reducing odor complaints.

## Managing odors with advanced technology

SCGP continuously manages odor from the factory by using technology to reduce odors generated during production and continuously monitoring and measuring odors.

- Expanding the use of the Wet Scrubber odor control system from Thai Paper Co., Ltd. (Wang Sala mill) to Phoenix Pulp & Paper Co., Ltd. (Public) to reduce the intensity of gas emissions in the pulp washing

process and thus reduce the intensity of Hydrogen sulfide ( $H_2S$ ) to less than 1 ppm, Ammonia ( $NH_3$ ) to less than 10 ppm, and Methyl mercaptan ( $CH_3SH$ ) to less than 1 ppm.

- Phoenix Pulp & Paper Co., Ltd. (Public) in collaboration with SCGC (SCG Chemicals) developed the Advanced Scrubber system to reduce odors from the black liquor oxidation process by adjusting the temperature of the gas and improving the efficiency of odor-causing gas capture. The goal is to reduce the concentration of Hydrogen sulfide ( $H_2S$ ), Ammonia ( $NH_3$ ), and Methyl mercaptan ( $CH_3SH$ ) and reduce odor treatment costs by THB 526,000 per year compared to the use of chemical substances.

## PM 2.5 Reduction

The Agricultural Waste Management Project, which collects and recycles agricultural waste such as sugarcane leaves from farmers in Kanchanaburi, Ratchaburi, Suphanburi, and Petchaburi provinces, is being used to generate renewable energy in the form of substitute fossil fuel. This project is estimated to reduce the burning area by approximately 680 rais (108.8 hectares), and thus help to reduce PM 2.5 emissions caused by the burning of agricultural waste by farmers.

# Health and Safety

Expanding the use of technology and safety standards both domestically and abroad.



SCGP has a solid determination to be an “Injury and Illness Free Organization” with proactive management by the Occupational Health and Safety Committees, including an actionable safety system “SCG Safety Framework” in both Thailand and abroad business operations. By leveraging digital technology to enhance safety management efficiency, including promoting and driving safety as a culture within the organization that everyone must adhere to in both personal life and work time. In 2006, SCGP announced its Occupational Health and Safety (OHS) Policy, which covers operations in the workplace, new project development, improvement projects, services, as well as travel and transportation both Thailand and abroad, which applies on employees, contractors, and relevant stakeholders.



## Targets

- Zero Work-Related Fatality of Employees and Contractors in the workplace every year
- Zero of Occupational Illness and Disease Frequency Rate (OIFR) (cases/1,000,000 Hours Worked)
- In the year 2022, Zero Lost Time Injury Frequency Rate of Employees and Contractors (LTIFR) (Cases/1,000,000 Hours Worked)

## Year 2022

**0** case

**0**  
OIFR

**0.267**  
LTIFR for employees  
**0.599**  
LTIFR for contractors

## Strategy

- Encourage employees at all levels and contractors to be safety leaders, raise safety awareness, and promote behavior change towards a safety culture.
- Commit to upgrading the Occupational Health and Safety Management system compliance to the local and international standards towards excellence in Occupational Health and Safety.
- Develop digital technology to support Occupational Health and Safety operations to be easier for implementation and higher efficient.

## Management

- 1 The monitoring and support committee for the plan operation to achieve its goals, including analyzing results for improved efficiency.
- 2 Utilizing the "SCG Safety Framework" as the Occupational Health and Safety Management system and following safety rules such as the Life Saving Rules to create a safe workplace.
- 3 Encouraging self-declaration and continuous improvement, through self-discipline and internal ownership within the organization.



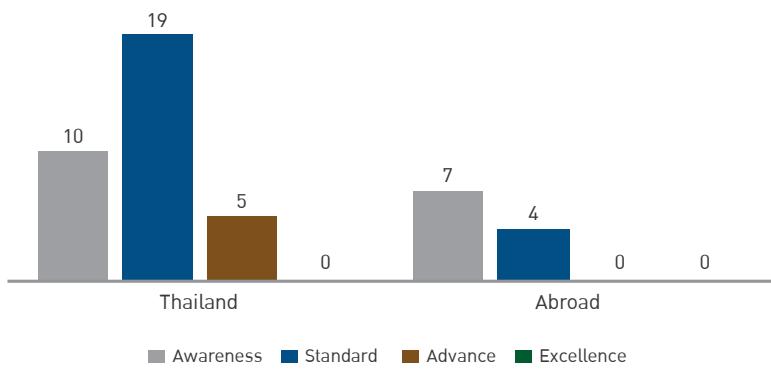
## Promoting Safety Culture

SCGP drives safe operating behaviors according to the Bradley Curve Model to promote proactive action for raising employees' awareness, attentiveness, and self-care, resulting in a more sustained level of safety compared to compliance with regulations, rules, or orders from supervisors. In the year 2022, SCGP created digital learning media to increase employee understanding of reporting minor injury and near-miss incidents, as employees were still confused about the terms used, such as unsafe action, unsafe condition, near-miss, and accident, and the reporting channels. The learning media used clear visual examples through videos to help employees understand and feel confident in their work, which will increase efficiency and the impact of a safety culture.

## Expanding the self-declaration of the SCG Safety Performance Assessment Program (SPAP) abroad.

SCGP has continually implemented Occupational Health and Safety management in line with the "SCG Safety Framework", which emphasizes that companies within Thailand should conduct a self-declaration of their safety performance every year. In the year 2022, the scope was expanded to cover aboard companies, requiring them to also assess and self-declare their performance every year according to the same standards, in order to demonstrate their commitment to moving towards higher performance levels from Awareness to Standard, Advanced, and Excellence levels in the future.

### 2022 SPAP Evaluation Results



### Leveling up the SAFEsave Module

SAFEsave is SCGP's innovative Safety Management - Digital platform, to support the operation of occupational health and safety in a convenient, fast, and easy way. The platform reduces complicated work processes and reduces errors made by personnel, as well as provides centralized data management for tracking purposes. The platform consists of various modules that cover a wide range of operations, and in 2022, the platform has further developed and upgraded its modules, such as

- **Near Miss Module** - Supports the reporting of Near Miss, which previously had limited usage. It has been improved to increase participation through gamification features and added Line Management Accountability tracking for analyzing causes and preventing incidents systematically and effectively.
- **Transportation Safety Module** - Collects information about drivers. This information is used to investigate and analyze the causes and prevent future incidents, enhancing the safety of transportation.



SCGP places great importance on contractors that cover both work time and off-the-job time. There are activities for contractors to participate in and are equal to employees, such as campaigns for sharing risk points/safe driving activities/KYT activities, including using SAFEsave regularly such as finding and reporting unsafe conditions through the Site Inspection Module, or reporting channel through the Near Miss Module when there is Near Miss event which to notify relevant people to take corrective actions to ensure safety."

#### Itsaraporn Thongdee

Safety Officer

K.S.I. Inter Supply Company Limited  
(Contractor)



### Contractor Safety Management

- SCGP has The Contractor Safety Management Committee (CSM) to oversee all procedural steps; the selection process, operational control, and contractors' performance evaluation, including continued development and upgrading of the safety operations of contractors.
- 97.14% of contractor's companies passed the SCG Contractor Safety Certification: SCS, according to the specified target criteria.

- **Safety Audit Module** - facilitates convenience in assessing safety, from the assessment plan, scoring, and aggregating the assessment results, the system integrates data into a single database to analyze and continuously improve management efficiency, reducing data inaccuracies and time-consuming data summarization from various companies.
- **Safety and Health Risk Assessment Module** - a software program for hazard identification, assessment, and risk management in all factories to have a standardized format.

### Transportation Safety

With the goal of preventing fatal accidents to be zero within the year 2023, SCGP used the Goods Transportation and Road Safety standards to regulate activities related to transportation and vehicle usage. This was done by emphasizing training and enhancing the knowledge and driving skills of drivers, as well as introducing telematics technology such as ADAS (Advanced Driver-Assistance Systems), and DMS (Driver Monitoring System) to monitor and adjust driving behavior. In 2022, the standards were expanded to cover non-goods transportation, such as waste and industrial materials, as well as strengthening the evaluation and assessment of transportation contractors. Penalties were imposed on transportation contractors who failed to meet safety standards, and these penalties were made equivalent to the value of the penalties imposed. The standards were also extended to abroad companies, with the regulations being adjusted to ensure they were in line with local laws and culture.

# Human Rights

Enhancing human rights integration across the value chain both in Thailand and abroad.



## Strategy

- Integrating Human Rights, diversity, and inclusion into business operations across the value chain both in Thailand and abroad.
- Foster value and initiate human rights programs for all stakeholders across the value chain and society.
- Being a role model in human rights, both directly and indirectly through business activities, by providing support and encouraging the value chain to recognize, protect, and respect human rights in their business operation

## Management

- SCGP has joined the SCG Human Rights and Stakeholder Engagement Committee to drive the implementation of human rights throughout the organization.
- Announced and reviewed SCGP Human Rights Policy and SCGP Diversity and Inclusion Policy in line with United Nations Global Compact (UNGC), the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and other international standards, as well as driving implementation of such policies through SCGP ESG Committee.
- Established a unified organization-wide risk management framework and carried out human rights due diligence processes in all facets in a proactive manner to prevent human rights violations.

## Targets

**Year 2022**

**0** case

**100%**

**24.4%**

As a result of business expansion, merger and acquisition in abroad, increased human rights risks for SCGP. SCGP has elevated the human rights practices in policies, frameworks, and guidelines to cover all of SCGP's business activities and its value chain, including business partners both in Thailand and abroad.



## Key Human Rights Risks in 2022

In 2022, there are four salient human rights issues with a high level of risks as follows

- Employment conditions
- Health and Safety
- Forced labor
- Protection of migrant workers' rights

SCGP has planned and implemented measures to prevent, mitigate, and remediate impacts, covering all of its business activities.

# Human Rights Due Diligence Process



## Review the policy and practices to enhance the implementation of human rights in accordance with global standards

SCGP has reviewed policies, frameworks, and guidelines in comprehensive and aligned with global and local standards covering all of SCGP's business activities, suppliers, contractors, and business partners. This includes specific topics in human rights, such as:

- Human Rights Policy
- Diversity and Inclusion Policy
- Supplier Code of Conduct (Labor and human rights)
- Human Rights Framework

In addition, SCGP also complied with human rights standards and proactive indicators to establish Human Rights Due Diligence Process Guideline for each company to use as a risk assessment guideline and set up mitigation and preventive plans and remediation actions. This is aimed at reducing risks to an acceptable level. Moreover, SCGP also provides a modern and effective whistleblower system that covers human rights issues and violations with complainant protection measures as defined in the SCGP Whistleblowing Policy.

## Human Rights Empathizing Project

SCGP conducted a project to understand the needs of employees from diverse groups, such as women, people with disabilities, LGBTQI+ individuals, etc. in all business units, covering employees of all ages. The project is carried out by interviewing employees with empathy and understanding and using the information obtained to develop new operational plans and effective communication.

## Organization-wide Human Rights Communication

SCGP participated with SCG to communicate and raise awareness about human rights through various channels to ensure that all employees are aware of and understand human rights and the value of diversity. The implementation is as follows;

- Ethics e-Testing to provide knowledge and test employees' understanding of ethics and human rights
- Workshop on "SCG Human Right Risk Assessment"
- Broadcast Live of "SCG Women in Leadership Inspiration Talk"
- Internal News under the topic of ESG Movement

Additionally, there is a GRC Helpline system available for employees to seek advice on work-related GRC, ethics, and ESG issues.

SCGP has joined with The Sedex Members Ethical Trade Audit (SEDEX), a global organization whose members are business organizations worldwide. It requires the members to comply with SEDEX standards in four areas: labor standards, health and safety, business ethics, and environment, which assure members' operations and business partners are responsible for business practices and respect for human rights.

In 2022, companies in SCGP both Thailand and abroad have implemented SEDEX's regulations, assessed by external auditors and become members of SEDEX for 13 companies which reflects SCGP's commitment to human rights continuity.

## Implementation of National Action Plan on Business and Human Rights

SCGP has operated in accordance with the National Action Plan on Business and Human Rights, such as:

- **International investment and multinational corporations:** Consider both domestic and international investment based on ESG principles to promote the quality of life for all individuals in all SCGP's business operations.
- **Labor & workforce:** Promote diversity among employees to lead to creative thinking and innovation. Provide flexible working days and hours that are appropriate for each job position.
- **Human rights defenders:** Ensure the rights of employees to freedom of association without any discrimination.

# Employee Caring and Human Capital Development



Enhancing experiences and well-being.

In response to the economic fluctuation and the situation after COVID-19, SCGP has adjusted its structure and strategies in business. This is done by promoting employees to develop themselves and adapt to changes, as well as creating a sense of commitment to the organization to maintain valuable employees as a driving force for business, especially for those with high potential. SCGP aims to implement effective employee management practices from onboarding to retirement, enhancing the overall employee experiences.



## Targets

- Total employee engagement rate is 78%
- 100% of employees in Thailand receive the competency assessment and have an Individual Development Plan (IDP) on the Learning Management System (LMS)

Year 2022

**76%**  
**100%**

## Employee Well-being Post COVID-19

In response to the COVID-19 pandemic, SCGP has prioritized the well-being of its employee, focusing on their working conditions, physical and mental health. SCGP has provided support to employees in various critical areas, including:

### Strategy

- Provide training opportunities to enhance employee knowledge and skills, enabling them to adapt to business expansion and change effectively.
- Cultivate a learning culture by offering diverse Hard and Soft Skill courses through various effective learning channels tailored to employees' interests and learning preferences.
- Develop leaders in all business units who can tackle business challenges and promote collaboration. Empower leaders and change agents to lead by example in communication, understanding, and transmitting the organization culture.
- Enhance leadership competency at all levels, promoting standard behavior and effective business management while taking care of employees.
- Prioritize comprehensive and fair employee care by listening to their opinions and creating an inclusive work experience to foster a sense of commitment to the organization.
- Create an organizational culture that attracts talented and capable individuals to join the workforce, adding value to the organization.

### Management

- Business Unit Academy Committee is responsible for employee learning and development initiatives, offering unlimited opportunities to enhance employee knowledge and skills.
- Provide short-term courses and activities that enable employees to develop a positive attitude towards work, teamwork, and social and environmental responsibility. This is led by supervisors, coaches, mentors, and supported by a dedicated learning team.

**Workplace:** Providing new workspaces such as co-working spaces and collaborative zones.

**Economic:** Providing financial assistance in special cases to support living expenses, due to the increased cost of living and inflation.

**Physical health:** Supporting employee's physical health by providing access to fitness centers, sporting facilities, and fitness classes to improve strength and flexibility.

**Mental health:** Implementing the SCGP Employee Wellness Program, offers online counseling services by experts from iSTRONG, self-assessment tools, access to mental health resources, 24-hour emergency hotline services, and online seminars on mental health topics related to work and daily life.





## Effective Human Resource Management: Leveraging Diverse Tools

SCGP is committed to developing its employees' competencies and preparing them for leadership roles in the future through its Career Development Plan and Mobility Pool Readiness Program, utilizing a Blended Learning 70-20-10 approach to support business expansion.

- Supervisors and managers received a competency appraisal to identify their existing skills and prioritize areas for improvement, focusing on strategic competencies aligned with SCGP's vision, such as global business excellence, M&P management, client-centric and integrated solutions, global expansion and operational excellence, and integrated people and organizational solutions.
- Expand the competency development system to employees in critical positions in all business units, preparing them for future leadership roles through a 70-20 blended learning program. The program is facilitated by supervisors, employees, and HR personnel, consisting of competency evaluation, development participation, and post-program support.
- Empower talented employees in Thailand to take ownership of their career paths, enabling them to design their own development plans and evaluate progress towards target jobs. Identified areas for improvement will be addressed to support career growth.
- Prepare to support business expansion both Thailand and abroad, in alignment with the business plan for Production, Energy, Maintenance, Sales & Marketing, and Accounting, by investing in employee development.



## Post COVID-19 Learning: Adapting Curriculum and Formats

Develop leadership for all managerial-level through leadership competency and behavior standard support with leader role model.

SCGP offers two management training programs to develop its employees' leadership skills: the Business Management Program (BMP) and the Business Concept Development Program (BCD).

The BMP is designed to enhance the skills of managerial-level employees, focusing on SCGP's leadership competency framework, which includes Customer and Consumer Centricity, Strategic Formulation & Growth Mindset, Agility, Resilience, Global Mindset & Perspective, People Motivator & Team Collaboration, and the ability to work in diverse contexts. Employees who completed the BMP gain practical experience in developing real-life business solutions to drive growth in international markets. The BCD, on the other hand, is designed to develop the business acumen of supervisors and prepare them for future leadership roles.

## Building a Strong Organizational Culture

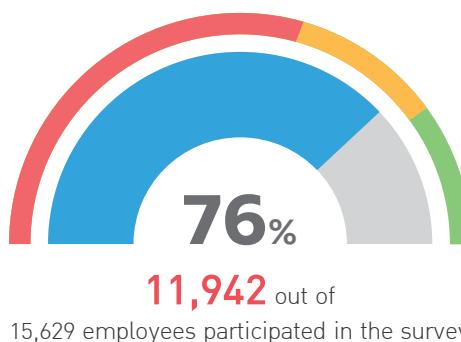
- Strengthening the SCGP Culture and Core Values by incorporating them into the employee development system, starting with the new employee development program (SCGP WE Program) and the new leadership development program (SCGP WE PLUS Program and Onboarding). This helps employees understand the desired behaviors in the workplace and leaders have discussions about desired behaviors and expectations in line with the organizational culture. The programs and practices are also expanded to operations in abroad, adjusting to their cultural and business context.

## Employee Engagement Survey Results in 2022

SCGP collaborated with global consulting firm Kincentric, specializing in organizational engagement and talented management to conduct an employee engagement survey across Thailand and abroad.

The 2022 survey showed that:

- 11,942 employees, or 76% of employees surveyed had strong engagement with the organization.
- 15,629 employees out of 15,998 total employees participated in the survey, which is 98%.
- The average engagement score in public companies was 71%.



■ Bottom Quartile (0-60%)  
■ Moderate Zone (60-79%)  
■ Top Quartile (79-100%)

# Community Engagement and Development

Creating community partnerships and increasing value of recycled paper.



SCGP has committed to improving the quality of life in communities for a sustainable society by promoting systematic waste management in the community and recycling waste paper back into the production process or transforming it into new products according to circular economy principles. This helped to generate income for the community and provided support to any scarce areas. The collaboration of all sectors from public and private sectors, communities nearby the factory, and academic sectors to foster sustainable development concepts to younger generations following ESG principles.



## Strategy

- Utilize the expertise of SCG and external partners to enhance the resilience of communities and society.
- Foster engagement among employees and all relevant stakeholders to create sustainable value for society.
- Develop innovation to serve the needs of communities and solve social issues.
- Develop models for sustainable development and scale up to other community networks.

## Management

- Conduct a community satisfaction survey every year to monitor the community development progress transparency and credibility research
- Listen to and analyze the opinions of stakeholders in the community to develop effective plans to meet the needs of the community.



## Targets

- Community satisfaction index is 90%
- Scale up Zero Waste Community Project to 183 communities by 2030
- SCGP Open House 12 times, with 1,000 participants per year

Year 2022

**91%**  
96 communities  
43 times with  
**1,489** participants

## Community Development Project: “Zero Waste Community” Project

SCGP has collaborated with Ban Pong District and 17 local government organizations to drive the community-based waste management project. By studying the Zero Waste Community Model in Rang Plub Village, which was awarded first prize at the national Zero Waste Community Project Contest from the Department of Environmental Quality Promotion in 2019. Then, the knowledge and practical examples from Rang Plub Village were expanded to other communities at all SCGP's locations. The goal is to scale up Zero Waste Community Project to 183 communities by 2030.

Community innovation is an important tool for successful waste management, such as converting plastic straws into cushions, creating compost bins to eliminate odors, making fertilizer from organic waste, converting used tires into tables or hand wash basins, etc. In 2022, the project was scaled up 31 communities in Ratchaburi, Kanchanaburi, Prachinburi, and Khon Kaen Provinces, totaling 96 communities. There were also communities that received national level awards in the Zero Waste Community Contest organized by the Department of Environmental Quality Promotion in 2022, including the first prize award, Ban Hua Pong in Kanchanaburi Province, and the second runner-up award, Hua Pong in Ratchaburi Province. Ban Hua Pong community has a large population of 1,000 households and has a high level of diversity, making it difficult to manage, but it was able to effectively manage waste with innovative community waste management.

From 2019 to 2022, the Zero Waste Community Project was able to reduce waste by more than 1.16 million kilograms and generated income for the community of over 1.95 million baht.



## The Weaving Handicrafts of Paper Band Project

SCGP has carried out the Paper Band Project since 2014, promoting the use of waste paper tapes, so called paper bands from the paper-making process as weaving materials for local handicrafts in accordance with Circular Economy Principles. The project provides the community with paper tapes and has established community learning centers to develop the skills and techniques in paper tape crafting. The project also aims to modernize product designs and promote exporting channels overseas. Currently, SCGP has provided 4,300 kg of paper tapes to the community annually and helped to generate income of over 720,000 baht per year as well as strengthening the community to utilize their free time effectively.



## Collaborative Efforts to Recycle Waste Paper

- The SCGP Paper Recycling Project, in collaboration with government agencies in the surrounding area of the factory such as schools, hospitals, and government agencies, exchanges used paper for a new paper to promote knowledge about paper sorting and reduce waste. In its third year of operation in 2022, the project expanded its paper collection points to 130 and recycled over 215 tons of used paper back into the production process.
- SCGP x reBOX and Thailand Post continue to work together for the third year in 2022. In the same year, reBOX to School event was held over 1,200 post offices across the country were designated as collection points for used boxes and paper. The collected paper weighed over 74 tons and was recycled into 95 sets of bookshelves which were then donated to students at police border schools nationwide.
- SCGP x Uniqlo SCGP collaborated with Uniqlo to collect over 350 tons of waste cardboard boxes from their branches and recycle them into A4 printing paper for in-store use, producing 1,114 reams of paper. Additionally, they recycled the waste cardboard into furniture and donated 133 sets to the United Nations High Commissioner for Refugees (UNHCR) in Ratchaburi and Kanchanaburi Provinces.

## Speak Out-Empowers Young People to Take Action for the Environment

SCGP hosted SCGP Packaging Speak Out Contest, an annual packaging design competition organized by SCGP in Thailand and Vietnam for the 7<sup>th</sup> consecutive year. In 2022, the theme of the competition was "UPCYCLE", which is a packaging design that extends life by changing its shape to be reusable, and "Easy to Recycle", which is a packaging design that is suitable for segregating and recycling. The competition aimed to encourage young people, especially Generation Z aged between 17-24 years old who are the generation that will play an important role in the future to learn and care about sustainability by using their creativity to design packaging according to Circular Economy Principles. The award-winning Best of Challenge Award in Thailand is a work titled, "Shoes-Able", by the students of the Faculty of Decorative Arts, Silpakorn University, presenting a shoe box that can be upcycled into a two-tier shoe rack benefit in less storage space.



### Reflections from Contestants:



I am impressed to be able to design a packaging that can help reduce unnecessary waste to the world

It is a great opportunity to have such a great project, providing students to have a place to showcase and design ideas

# Corporate Governance

Striving for fair and transparent business governance and creating awareness among employees at all levels.



The SCGP's Board of Directors has determined the corporate governance policy to be a part of the business strategy, with the Corporate Governance and Nomination committee responsible for overseeing the company's corporate governance. The Company has adopted Corporate Governance Code: CG Code year 2017 for sustainable benefits and value creation.



## Targets

- Receive an excellence rating (5 stars) from the assessment of the Corporate Governance Survey of Listed Companies (CGR Checklist) for the year 2022
- No corruption
- Employees learn and pass Ethics e-Testing 100%

## Year 2022

High Rating  
(5 stars)  
**0 Case  
100%**

## Corporate External Assessment

The continuous implementation of the Corporate Governance Policies and Guidelines has led SCGP to receive assessments from various organizations as a well-governed entity in 2022, such as:

- Received a full score of 100 in the evaluation of the annual general shareholder meeting in 2022 from the Thai Investors Association.
- Being rated as "excellent" rating in the assessment of the Corporate Governance Survey of Listed Companies for the year 2021 by the Thai Institute of Directors.
- Being named one of the Thailand Sustainability Investment 2022, following 2021, by the Stock Exchange of Thailand.
- Received certification as a Certified Company from the Thai Private Sector Collective Action Against Corruption (CAC) on March 31<sup>th</sup>, 2022.

## Strategy

- Establishing Corporate Governance Policies and Guidelines to be consistent and aligned throughout the organization.
- Reviewing the Corporate Governance Policies and Guidelines to be proper to the company's strategy and challenges posed by changes at least once a year.
- Communicating and supporting employees and suppliers to understand, gain awareness and seriously comply with the Corporate Governance Policies and Guidelines, SCG Packaging Code of Conduct, and Supplier Code of Conduct.

## Management

- 1 Oversee and monitor the implementation of the Corporate Governance Policies and Guidelines throughout the organization.
- 2 Assess risks and monitor anti-corruption through the preventive system consisting of ethical testing, three-level of risk management and internal controlling, and an accessible whistleblowing system for stakeholders.
- 3 Review, communicate, and provide ethical training to employees, suppliers, and stakeholders to promote a transparent work culture.





**WE SUPPORT**

## Participating in the United Nations Global Compact (UNGC)

SCGP participated in UNGC on June 7<sup>th</sup>, 2022, and committed to supporting the Ten Principles of the UNGC on human rights, labor, environment, and anti-corruption.



## Providing knowledge and testing employees' ethics through Ethics e-Testing

In 2022, SCGP conducted the Ethics e-Testing for employees for the 8<sup>th</sup> consecutive year, including ethics, SCGP Core Values, SCG Packaging Code of Conduct, and anti-corruption policy to ensure that employees at all

levels have learned and understood to comply with these policies. In 2022, all 100% SCGP employees passed Ethics e-Testing, and the results were analyzed to highlight important issues to be communicated to employees to correct their understanding. The SCG Packaging Code of Conduct was translated into the Indonesian language to accommodate the expansion of business in foreign countries.

## Whistleblowing

In the year 2022, there were 6 complaints received through the whistleblowing system from both external parties and employees regarding violations that resulted from non-compliance with laws, company regulations, anti-corruption policy, SCGP Core Values, SCG Packaging Code of Conduct, or Supplier Code of Conduct.

SCGP conducted investigations and completed 5 cases, with 1 cases still under investigation. The complaints were divided into cases that were not in accordance with the complaint or had unclear evidence, 4 cases, 1 case of inappropriate management, and no cases of violations of SCG Packaging code of Conduct, Anti-Corruption Policy, Antitrust Policy, Human Rights, and use of Insider Information. The damages were non-significant.

### Report of Violations

#### The Total Number of Complaints

	2020	2021	2022
Total Complaints	11	8	6
Investigated and Completed Complaints	11 (including 1 complaint from the year 2019)	7	5
Number of Complains Under Investigation	0	1	1
Classification of Complaints			
1. Unethical or Improper Conduct	0	1	0
1.1 Conflict of Interest	0	1	0
1.2 Corruption	0	0	0
1.3 Violation of Human Rights	0	0	0
1.3.1 Sexual Harrasment	0	0	0
1.3.2 Non Sexual Harrasment	0	0	0
1.3.3 Discrimination	0	0	0
1.4 Antitrust	0	0	0
1.5 Use of Insider Information	0	0	0
1.6 Others	0	0	0
2. Non-compliance with Company Regulations	1	2	1
3. Not in accordance with Complaints	10	4	4

# Risk and Crisis Management

Managing risks according to international standards and creating an organizational culture in risk management.

SCGP establishes a risk management system that conform to international standards and integrates it into the organization's business operations. This is to cope with and reduce the impact in the world from VUCA (Volatility, Uncertainty, Complexity, and Ambiguity), including economic, social, and environmental challenges, so that the business can operate continuously without disruption. Furthermore, the company explores opportunities to develop value creation by improving consumers' quality of life and being environmentally friendly. This will lead SCGP to achieve business sustainability.



## Targets

Year **2022**

**0** Case

- Reducing the impact of disruption of key processes or services, primary products, and primary customers.



## Strategy

- Managing risks in the same direction throughout the organization by defining objectives and Risk Appetite in short-term, medium-term, long-term, as well as Strategic Risks that may affect to business performance significantly.
- Establishing risk management structure, roles, and responsibilities at all levels encompassing the corporate level, business level, and operational level.
- Performing Risk Management comprises of risks and opportunities identification, risk assessment, establishing risk response, key risk indicators and key performance indicators, as well as reporting to the SCGP within organization Risk Management Committee (SCGP RMC) regularly.
- Building risk management culture by considering top executives as role models, and providing training course for employees.

## Management

- Manage risks throughout the organization, consistent with the Committee of Sponsoring Organizations (COSO) and ISO 31000 to effectively reduce the likelihood and impact of potential risks.
- Conduct analysis to measure the severity level and prioritize key risks using the Risk Map.
- Manage business continuity according to the BCM framework for sustainability, aligning with the United Nations Office for Disaster Risk Reduction (UNDRR) guidelines and the seven targets of the Sendai Framework.

## Significant Risks in 2022

In the year 2022, SCGP evaluated the significant risk events and developed mitigation plans for potential risks, such as High and volatile energy cost, Rising input cost of raw material and labor, strategic investment risks, or map integration risks. Additionally, the company also considers Emerging Risks that may arise as follow:



Emerging Risks	Risk Management
The transition to a low-carbon economy 	<ul style="list-style-type: none"> <li>Regularly monitor the situation and assess the risks that may occur to the business. Determine mitigation measures SCGP RMC to cope with various situations under the assessment of SCGP RMC and the Energy and Climate Change Committee which was approved by the Chief Executive Officer to disclose information following the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines.</li> </ul>
Environmental pollution risks transition to a Circular Economy 	<ul style="list-style-type: none"> <li>Develop innovative products and the solutions that reduce resource used or promote recycling, in line with the Circular Economy principle.</li> <li>Increase the ability to manage recyclable raw materials for the business.</li> <li>Expand packaging recycling business through M&amp;P.</li> <li>Collaborate with customers in projects to collect bottles to recycle.</li> </ul>
Cyber security risks 	<ul style="list-style-type: none"> <li>Enhance the protection system, with modern technology.</li> <li>Improve policies and guidelines.</li> </ul> <p>See page 66-67 for more details.</p>

## Training for employee development at all levels

SCGP realizes that corporate culture is a key element to the success of risk management and therefore promotes a risk management culture through various training for employees at all levels, such as:

- Providing SCGP Risk Management Training & Workshop for Risk Champions and Risk Coordinators who are responsible for managing risks at the business-level and operational level, respectively. The training is conducted annually to enable them to use risk management tools effectively.
- Developing the SCG Enterprise Risk Management (ERM) program as a part of the training and development program for new employees. The training is conducted annually and the course is registered into the e-Learning system to make it accessible and learnable by all employees.



## S.E.R.T. SCGP Emergency Response Team

SCGP is a leading organization in the country's industrial sector with a vision to create employees without discrimination based on race, religion, and gender to form a volunteer team that responds to emergencies that occur within and outside the factory. With the belief that the factory and community can live together safely and work together to manage disasters by adhering to the principles of Community Based Disaster Risk Management (CBDRM). In the event of a disaster, the S.E.R.T. team will respond at an appropriate time based on the 3R principles of Rescue, Relief, and Recovery to truly meet the needs of those affected by the disaster.

- Green Response: S.E.R.T. Team has a principle of operation that assists society without creating waste or damaging the environment. Additionally, the team creates innovations that deliver support to society from recycled materials.
- Developing Public and Private Sector Networking for Sustainable Disaster Management: S.E.R.T. Team is involved in the national and local level of disaster management plans.

## SCGP Security Management System

As incidents that can affect business operations have become increasingly complex, especially due to human actions, which are difficult to control and can occur at any time, SCGP has developed the SCGP Security Management System (SMS) to screen risks from individuals. This includes a database of personal training, entry and exit records, or abilities, as well as systems for monitoring various dangers such as vehicle inspections, speed checks, and asset entry and exit from the premises. The system uses a single database that links organizations within and outside the country which is supporting the 7 targets of the Sendai Framework and is a crucial data source for building a robust system for organizations.



### The Objectives of the Sendai Framework

- Reduce mortality rates from disasters within organizations.
- Reduce the number of people impacted by the consequences of disasters within organizations.
- Reduce direct and indirect business losses compared with the organization's income.
- Reduce damage to infrastructure, buildings, essential basic utilities, society, and the environment.
- Increase the number and the capacity to cope with all types of disasters to reduce the impacts on individuals, factories, communities, the environment, and stakeholders.
- Enhance collaboration with government agencies and other organizations, both at the local, national, and international levels, to align with global standards.
- Increase efficiency and effectiveness, including access to information, and early warning of disaster risk.

# Information Technology Security and Cybersecurity

Upgrading policies, guidelines, audits, and incident response.

SCGP uses information technology in all aspects of business, from resource planning, production, quality control, delivery, inventory management, e-commerce sales, customer communication, financial management, and supporting hybrid workplace operations, which requires increased connectivity with external networks. This increases the risk of cybersecurity and cyber attacks that can lead to data leaks, loss, or system downtime, affecting the company's operations and reputation. Therefore, SCGP strictly regulates and secures information technology and network security to maintain the confidentiality and security of the data and systems.



## Targets

Year 2022

**99.5%**

**0** case



## Strategy

- Integrate information technology security and cybersecurity risks into enterprise risk management, from identifying risk or opportunity in business operations, assessing and prioritizing, identifying mitigation measures, monitoring, and reporting.
- Establish processes for managing the information technology system's security that is aligned with the organization's information technology security policy.
- Enhance knowledge, understanding, and awareness among employees at all levels by providing training to ensure the appropriate action for cyber threats.

## Management

- Adhere to the information technology usage policy [SCGP e-Policy], which references ISO 27001 and cybersecurity plans.
- Install additional cybersecurity devices such as vulnerability scan systems, privileged access management systems [PAM], network access control systems, and Security of Industrial Control Systems [ICS].
- Establish a Security Operation Center [SOC] for cybersecurity surveillance, both On-Premise and On-Cloud SOC.

## Enhancing security with cutting-edge technology

### • Next-Generation Firewall (NGFW)

Cyber attacks today are becoming more complex and sophisticated, using more advanced techniques. SCGP has therefore installed a new type of firewall monitoring and attack response, known as Next-Generation Firewall (NGFW), in all its offices and factories to enhance security at the application (Layer 7) level throughout the organization. This allows for protection against external attacks and known cyber threats as well as irregular usage, and also provides Traffic Behavioral Analysis, supporting leakage of crucial data, user authentication and tracking, etc. This enables system administrators to manage the system from the central more effectively.

### • Improving IT security audits

by dividing audits into the IT system, IT process, and IT security and designing more efficient and effective audit procedures, which can reduce the cost of the audits.

### • ISO/IEC 27001

Improving data security systems to obtain ISO/IEC 27001 certification by the year 2023.



# Information Technology Security and Cybersecurity Governance Framework

Management Levels	Committees/Related Units	Roles
Supervisory Level  	<ul style="list-style-type: none"> <li>• SCGP Audit Committee</li> <li>• SCG Information Technology Governance Committee</li> <li>• SCG Cybersecurity Governance Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewing the risk management process, workflows, controls, operational oversight, and information technology and communication network security to ensure they align with international standards and monitor risk management results and assess risk management results from the Risk Management Committee.</li> <li>• Participating as a member of           <ol style="list-style-type: none"> <li>1) SCG Information Technology Governance Committee</li> <li>2) SCG Cybersecurity Governance Committee</li> </ol>           to determine the direction of oversight and implement it within the SCGP.         </li> </ul>
Management Level  	<ul style="list-style-type: none"> <li>• SCGP Risk Management Committee</li> <li>• Technology and Digital Platform Unit</li> </ul>	<ul style="list-style-type: none"> <li>• Considering and approving risk management strategies, risk management frameworks, and risk management processes, including reviewing of risks and monitoring of risk management.</li> <li>• Deployed policies and guidelines from SCG and implementing them within the context of SCGP.</li> </ul>
Operational Level  	<ul style="list-style-type: none"> <li>• Information Technology Unit</li> <li>• Information Technology Governance Unit</li> </ul>	<ul style="list-style-type: none"> <li>• Overseeing the operations of the Information Technology Governance unit, responsible for information technology security and cybersecurity.</li> </ul>

## Revisions in Policy and Guideline

Following the appointment of representatives as part of the SCG Information Technology Governance Committee and SCG Cybersecurity Governance Committee in 2022, additional actions have been taken including:

- Development of additional 3 standards/processes/guidelines including IoT Security, Guidelines for using Social Media Applications, and Online Communication Tools.
- Revisions of 2 policies, including the Mobile Device and BYOD Policy and the System Access Control Policy, which are additional revisions from 2020 to accommodate the COVID-19 situation and the Work from Home period.



- Creation of guidance for audit documents for internal control/security such as ERP system audits, IoT security, Web application, Cloud Development, and Data Governance security audits.
- Review and refinement of risk assessment strategies to align with the COVID-19 situation and new normal risks by utilizing Machine Learning (ML), Robotics Process Automation (RPA), and Data Analytics (DA) for more effective risk analysis.
- Mandating all employees to pass e-Policy testing at 100% to create awareness and understanding for proper implementation.
- Mandating external Cybersecurity Assessments every 2 years.

# Sustainable Value Towards Suppliers

Enhancing supplier partnership for sustainable society co-creation.



SCGP's suppliers along the value chain consist of manufacturers, service providers, and distributors, have played a crucial role in economic growth and bear responsibility for the environment and society. Thus, SCGP manages its suppliers by selecting suppliers with capability, evaluating their performance in terms of environmental, social, and governance (ESG) aspects, and providing support for their sustainable growth in partnership with SCGP.



## Targets

Year 2022

- 90% of procurement value from suppliers with a commitment to comply SCGP Supplier Code of Conduct
- 100% of the supplier in procurement value passed the annual Environmental, Social, and Governance (ESG) risk assessment
- 100% of operation contractors certified SCG Contractor Certification (SCS)
- 100% of transportation contractors certified as main logistics partners major transportation contractors

**90%**

**100%**

**97.14%**

**100%**

**68** Companies

## Other Performances

Total number of active suppliers:  
**2,072**  
suppliers

Suppliers with high sustainability (ESG) risks:  
**0**  
supplier

Critical:  
**2**  
suppliers received audit **100%** of critical suppliers

Green procurement:  
**4,684**  
(Baht million)

Employees in the sourcing and purchasing function participated in ESG training and development:  
**100%**



## Sourcing EV Transportation Service Suppliers to Reduce Greenhouse Gas Emissions

SCGP is committed to reducing greenhouse gas emissions in its operations and has partnered with a supplier providing electric vehicle (EV) transportation services, which are efficient and can meet various types of work requirements. This is intended to replace the conventional use of fossil fuel vehicles. The initiative began with EV delivery trucks, after studying and testing them with suppliers since 2021. For Transporting paper rolls and pulp between factories in Ratchaburi Province and Saraburi Province, SCGP invests in the installation of electric charging stations at origin and destination, and will begin operations for finished product transportation at the beginning of 2023 with 7 vehicles from selected suppliers, and will expand its operation to other product groups and shuttle buses for employees in the future. Additionally, electric vehicle (EV) trucks for transporting goods can reduce greenhouse gas emissions by 475,087 kilograms of carbon dioxide equivalent per truck per year, and reduce energy costs by 50-60% compared to a diesel truck.



## Strategy

- Select and evaluate competent suppliers for sustainable business conduct.
- Assess risk and segment suppliers to determine strategies and supplier development plans corresponding with the risk.
- Develop and enhance the capabilities of suppliers toward sustainability.
- Raise awareness, knowledge, and ability of employees in effective procurement.

## Management

- 1 Conduct risk assessment and certification of all suppliers annually and continually, using an enterprise risk management framework that covers Environmental, Social, and Governance (ESG) aspects and spending analysis.
- 2 Segment suppliers into 4 groups, namely, general tier 1 suppliers, critical suppliers, high potential sustainability (ESG) risk suppliers, and critical non-tier 1 suppliers.
- 3 Determine supplier development and capability enhancement plans for continuous improvement.
- 4 Establish a working group to set the development of employee knowledge and skills in the procurement, supplies, and logistics groups, including the exchange of knowledge, information, and best practices with both public and private organizations.

## Promote ESG Understanding and Partnership with Suppliers

SCGP, together with SCG and affiliates, organized "Supplier Day 2022" to communicate and encourage participation in solving world problems by applying ESG 4 Plus and the revised Supplier Code of Conduct which addresses the important issues that are in the interest of stakeholders such as forced labor and environmental data collection to suppliers. Moreover, the workshop on topic 1. Human Rights, 2. Climate Change and 3. Governance and Business Ethics was held to share ideas and acknowledge as well as support needed for the future development of the partnership. There were 123 participants from 81 key suppliers.

## Enhance Competency in Service with Waste Management Suppliers

SCGP has undertaken a project to develop a waste management supplier in order to reduce the potential risk of waste transportation from SCGP's factory to the supplier's site. The training to the supplier's employees to raise awareness on safety and providing quality services with heart provided by expert instructors from SCG Skills Development School. In result there was no complaints of safety violations or service issues in 2022. In the future, key performance indicator (KPI) evaluations will be conducted every quarter to create lasting change.



# Product Stewardship

Promoting SCG Green Choice products and register for Carbon Footprint of Products.



SCGP responds to consumer demand for sustainable and environmentally friendly packaging and comply with regulations and laws that push manufacturers to consider safety and the impact on society and the environment. SCGP is focused on developing and designing high-quality, safe, and durable products, services, and solutions that can be reused and recycled aligned with circular economy principles through innovative thinking and consider responsibility to control, monitor, and evaluate the danger of unsafe products (Product Hazard Analysis, PHA) in every step. This ensures that SCGP is a leader in the container and packaging industry.



## Targets

Year 2022

- Sale revenue from SCG Green Choice products, services, and solutions is 66.7% of the total sales revenue by 2030
- Sale revenue from SCG Green Choice products, services, and solutions that provide direct benefits to customers is 33.3% of the total sales revenue by 2030
- All subsidiaries in Thailand must comply with the requirements of REACH Regulation (Annex XVII and Substances of Very High Concern (SVHC) for Authorization)
- No complaints regarding non-compliance with the laws and product safety

**48%**

**13%**

**100%**

**0** Item



## Products, services, and solutions certified as environmentally friendly



Carbon Footprint  
of Product label

**37**

Products



SCG Green Choice  
label

**61**

Products



Green label, type 1  
environmental  
label

**21**

Products



Circular Mark

**5**

Products

## Register for Carbon Footprint of Product (CFP)

The trend of using environmentally friendly packaging continues to increase. Information on greenhouse gas emissions from products is an important factor for consumers to make purchasing decisions. SCGP promotes its products to receive the Product Carbon Footprint label from the Thai Greenhouse Gas Management Organization (TGO) to provide consumers with confidence that they are purchasing environmentally

responsible products. SCGP considers the entire lifecycle of their products, including sourcing of raw materials, transportation, and production (Business to Business, B2B) to develop more low carbon products. In 2022, SCGP registered 37 packaging products for the Product Carbon Footprint label, and SCGP continue to develop products to register for Carbon Reduction Label in the future.





## Strategy

- Drive innovative approaches to develop products, services, and solutions that meet consumer demands, improve quality of life, and consider the impact of climate change, environment, and health through circular economy principles, including creating business opportunities.
- Promote and develop business processes throughout the value chain in accordance with international standards.
- Consider the environmental and safety impact of products, services, and solutions throughout life cycle.
- Promote and encourage products to be certified and labeled as environmentally friendly, such as SCG Green Choice, Carbon Footprint of Product (CFP), Carbon Reduction, etc.
- Promote and raise awareness of environmentally friendly product usage to stakeholders.

## Management

- 1 Develop products starting from the design phase, material and chemical selection, production process, packaging, usage, waste management (reduce waste generation and recycle) for reducing environmental and health impact throughout the product life cycle through Circular Economy and Eco Design principles to maximize resource, energy, water, and material utilization.
- 2 Comply with both national and international laws and standards related to chemical usage, such as REACH Regulation, hazardous substance list, and reduce the usage of chemicals that are harmful to the environment and health.
- 3 Support to invest in product, service, and solution development to enable fast and effective change.

## Asia Pacific Supplier Awards 2022

Conimex Co., Ltd., a subsidiary of SCGP, has received the Asia Pacific Supplier Awards 2022 in Environmental Sustainability category from Shell Lubricant Asia Pacific. The award was selected from 400 companies in the Asia Pacific region based on their outstanding performance in various projects, particularly the engine oil packaging made from 25% PCR. All of the projects have contributed to reducing greenhouse gas emissions by 439 tons of carbon dioxide equivalent. Moreover, the engine oil packaging has been awarded the SCG Green Choice label in the Indirect type: Recycled Content.

## SCG Green Choice

In 2022, SCGP had a total of 61 products, services, and solutions that received the SCG Green Choice label. The highlight SCG Green Choice products, services, and solutions include:

- **Paper Exhibition & Lifestyle Products:** A solution for creating creative media for marketing and lifestyle products such as exhibition booths, furniture, promotional products, etc. They are made from recycled paper but still maintain their strength and efficiency. They cater to the marketing activities of business customers and general consumer use. When the products are finished usage, SCGP Recycle brings them back into the recycling process. They have received the SCG Green Choice label in the Indirect type: Waste Reduction.
- **SB-Shopping Bag Paper:** 100% of the paper used for all standard weight paper bags are made from recycled paper and is certified FSC™ recycled 100% and meets the green label standards and the Ministry of Industry's standard 170-2559. They have received the SCG Green Choice label in the Indirect type: Recycle Content.
- **Modified Atmosphere Packaging:** These packages are used to preserve the quality of food, delay color changes, maintain shape, and flavor. They help extend the shelf life of food by at least 2 days compared to traditional packaging. OptiBreath® is for vegetable and fruit packaging, where the internal gas exchange is controlled to be suitable for the external environment. Optisorb-X™ is for bakery and fatty foods component, where the package prevents the penetration of oxygen gas from the outside and helps reduce the oxidation reaction of the food. They have received the SCG Green Choice label in the Direct type: Extended Life Product.



## Roadmap

**2020 – 2021**

Promote products to receive Green Labels such as SCG Green Choice, ISCC Plus.

**2022 – 2023**

Promote products to receive Carbon Footprint of Product (CFP), Circular Mark.

**2025**

Conduct Life Cycle Assessment or Carbon Footprint of Product.

# Customer Relationship Management

Focusing on developing new channels of services and solutions to meet the needs of all customer groups.

SCGP is concerned about the economic impact from the rising energy costs due to the conflict, as well as the post-COVID-19 situation. SCGP is determined to design products that reduce production costs while still maintaining light weight, strength, and safety to meet the business customer's cost burden. In addition, they aim to increase the product offerings that cater to health and environmental needs. Also, they are developing online platforms for customer convenience in accessing products and services.



## Targets

Year 2022

- Customer experience score **85%**  
(Pulp and Paper business, paper packaging, and packaging from pulp and paper)

**87%**



## Strategy

- Engage in co-creation with business customer groups to create customer-oriented B2B2C services.
- Engage in co-creation with consumer customer groups to create B2C services.

## Management

- Analysis and tracking of customer experiences, starting from understanding problems and needs, behaviors, purchasing and using products, services, and solutions, as well as surveying satisfaction with products, services, and solutions.
- Using digital technology to support services to partners, business partners, and all customer groups.
- Connecting customer experiences in the online channels and service center to create convenience and maximum satisfaction.
- Delivering innovative products, services, and solutions that meet customer needs consistently.

## Sales channels and customer service operations

SCGP places importance on developing its sales channels and customer services operations, to meet customer needs and behaviors, in order to create the best user experience through expanding its online platform and the capabilities of its customer services center to quickly resolve issues.

- Doozy Online by SCGP** has opened an online sales channel through its website [www.doozyonline.com](http://www.doozyonline.com), which offers a comprehensive range of high-quality packaging products such as food and beverage containers, bags and wrapping paper, and e-commerce packaging, etc. The company has also collaborated with financial service providers to increase payment options, including QR codes, credit cards, e-Wallets, and Paywise, providing more convenience and security for online payments. SCGP has also partnered with service providers for inventory management and delivery, such as SCGL and My Cloud Fulfilment, to ensure fast and efficient delivery of products to consumers in good and complete condition.

In addition, Doozy Online has also started selling healthcare products under the brand "Almind by SCGP", which is made up of the main ingredient "AQUACELLA" extracted using SCGP's unique nanotechnology and innovation. The product helps to retain moisture and deliver essential ingredients deep into the skin for deep nourishment.





The company has also launched "HOLIS", a brand of dietary supplements, which offers the "Holis by SCGP IM-MU Cap" product, a compact and easy-to-take capsule that combines three natural ingredients: Astaxanthin from Haematochoccus Pluvialis extract from Japan, Yeast Beta Glucan from France, and Cordyceps militaris from SCGP, produced using SCGP's unique cultivation technology and certified under GMP quality assurance system. These products are available for purchase online through eMarket place platforms such as Shopee, Lazada, JD Central, 24 Shopping by 7-11, and social commerce platforms such as LINE My Shop and Facebook, making it more convenient for customers to access the products. They can also be purchased at leading retail stores such as Office Mate, B2S, Tops Vita, PnF, and Save Drug, etc.

**SCGP Customer Services Center** can be reached at the phone number 02-586-5555. The company has consolidated its customer services contacts into a single phone number to improve service efficiency. In the year 2022, the company has developed a digital online Customer Services Center which can categorize customers into VIP, and new customers, and route them to the appropriate customer services representative. The center provides information on products and services, tracks order status and delivery, and can be reached through the LINE Official account @SCGPcontact. The customer service representatives are equipped to work on computers and provide continuous service, and there are shortcuts available for customers to access products and services of interest quickly.



## Sustainable Innovative Products

SCGP develops products that help customers reduce costs for competitiveness in the market and during economic downturns, while also promoting environmental sustainability in line with ESG principles.

- **TS-grade paper** for box production, which reduces weight while increasing strength, helps reduce production and transportation costs, leading to increased adoption of TS-grade paper instead of traditional KT-grade paper with 70% of customers making the switch.
- **EH-grade paper** for cement bag production, increasing the use of recycled paper instead of imported virgin fiber, reducing the risk of supply chain disruptions due to conflict, and reducing costs while promoting greater environmental sustainability.

## Creating innovation together with customers through the Inspired Solutions Studio

SCGP collaborates with business customers to co-create innovative solutions and new offerings through Inspired Solutions Studio, which is a hub for idea generation and creative packaging and product design. In 2022, SCGP had many successful business customer collaboration projects, such as:

- **Doi Kham Food Products Co., Ltd.** collaborated with SCGP to design and develop Shelf Ready Packaging, replacing plastic packaging with paper because paper is lightweight, easy to move and save storage space, and can be reused and recycled easily.
- **Thai President Foods Co., Ltd. (Public Company)** partnered with SCGP to design and develop paper tubes and seasoning packets for instant noodle products (Mama) as a mono-material plastic packaging that can be recycled, reducing plastic waste and increasing competitiveness in the international market that has a ban on single-use plastic policy.

## ESG for Customer

- **ESG Guideline Toolkit:** As customers become increasingly interested in the carbon emissions of pulp and paper products, SCGP has developed an ESG Guideline Toolkit in the form of an excel file. The toolkit provides basic information on carbon emissions and their impact on the environment, such as the use of recycled materials, and the amount of wood used per product, to support customers who are interested in ESG concepts and to make it easier for designers and customer service representatives to work.
- **SME Assistance:** Due to the volatile economy, SCGP has developed financial support tools for SMEs through Siam Validus investment platform and the Siam Saison financial service platform. These platforms serve as additional channels to improve the financial situation of SME partners and retailers in Thailand and Vietnam.

SCGP takes into account the security of customer privacy data and related parties. SCGP collects, uses, and discloses customer privacy data and complies with the requirements of the Personal Data Protection Act, B.E. 2562 [2019].

In 2022, SCGP has no complaints about personal data breaches and incidents of personal data leakage.





# PERFORMANCE

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# About this report

SCGP has published the sustainability report on a yearly basis since 2019, with the intention to disseminate business performances in economic, social, and environmental dimensions to stakeholders. The reporting period is from January 1<sup>st</sup>, 2022, to December 31<sup>st</sup>, 2022.

## Notable Changes and Developments in 2022

### May 2022

Invested in corrugated container capacity expansion of additional 75,000 tons per year in Thailand through Thai Containers Group Co., Ltd. Commercial start-up is expected in early 2024.

### July 2022

Acquired 100.0 % shares in Peute Recycling B.V. (Peute), the largest recycling company of paper and plastic packaging in the Netherlands.

### August 2022

Issued the Digital Bonds no. 1/2022 (SCGP256A) on August 1<sup>st</sup>, 2022 in the amount of Bath 5,000 million (Tenor 2 Years 10 Months, Coupon Rate 2.80% per annum).

### September 2022

Acquired 90.1% of shares in Jordan Trading Inc., (Jordan), a New York-based trader of Recovered Paper-RCP.

### December 2022

Issued the debenture no. 2/2022 (SCGP26DA) on December 1<sup>st</sup>, 2022 in the amount of Baht 5,000 million (Tenor 4 Years, Coupon Rate 3.50% per annum).

Invested in consumer and performance packaging business expansion project in Thailand by Prepack Thailand Co., Ltd. through the purchase of assets in flexible packaging business from Cyberprint Group Co., Ltd., a multi-type printing and packaging service provider in Thailand, resulting in around 12% increment of Prepack's total production capacity.

## Reporting Boundary

Data in this report consist of sustainable development performance data from 3 main business units (BU), which are the integrated packaging business, fibrous business, and recycling & others business. The SCGP and management are responsible for the data presented in this report concerning that these are beneficial for all stakeholders. There were changes to the Information already reported in the Sustainability Report 2021 as described below;

1. Page 87 of Social Performance data, the topic of "Female in management positions in revenue-generating functions (%)" and "Female in Science, Technology, Engineering, and Mathematics positions (STEM-related positions) (%)"". There was a change in the calculation method, therefore, the data amendment was made during the year 2017-2021.
2. Page 93 of Economic Performance data, the topic of "Top 7 corporate sponsorship in 2021" changed from 2,447,321.15 baht to 2,462,438.17 baht.

This report is disclosed with reference to the revised Global Reporting Initiative Standard version 2021 (GRI Standard 2021) and modified GRI topic standard as shown in the GRI Content Index table on pages 96-99. Performance toward Sustainable Development Goals (SDGs) is shown on pages 18-19 as well as actions toward Sustainability Accounting Standards Board (SASB) on pages 100-101.

**Economic Data** The reporting scope is consistent with those disclosed in the SCGP annual report, performance data from Thailand and abroad companies in form of SCGP and its subsidiaries are included in this report except Circular Economy data which is taken from newly established (greenfield) companies (less than 4 years) and newly merged companies (less than 4 years).

### Environment, Health & Safety Data

The reporting scope is performance data of SCGP and its subsidiaries in Thailand and abroad except expenses, investment, environmental benefit, and fine & law violations which were retrieved only from Thailand operations exclusive of newly established (greenfield) companies (less than 4 years) and newly merged companies (less than 4 years). This detail is presented on pages 94-95.

## Sustainability Management System

To ensure that SCGP and its subsidiaries have a sustainability management system, various groups of industrial system standards had been certified such as Quality Management System (ISO 9001), Environmental Management System (ISO 14001),

Occupational Health and Safety Management System (OHSAS / TIS 18001 / ISO 45001) and Forest Stewardship Council™ (FSC™). In 2022, the companies granted 88% of ISO 9001, 96% of ISO 14001, 79% granted OHSAS / TIS 18001 / ISO 45001, and 97% granted FSC™.



**FSC™ License Code of SCGP and its subsidiaries are tabulated below.**

Company	FSC™ License Code
SCG Packaging Public Company Limited Fiber Packaging Product Group (Thailand & Aboard) Packaging Paper Product Group (Thailand & Aboard) Siam Nippon Industrial Paper Company Limited	FSC-C135609
Thai Paper Company Limited	FSC-C014429
The Siam Forestry Company Limited	FSC-C105470 FSC-C133879 FSC-C012207
Phoenix Pulp & Paper Public Company Limited	FSC-C015565

## Report Assurance

The economic performance data retrieved from the financial data collection system is similar to those presented in the SCGP annual report which had been verified by a certified accounting firm.

The selected environmental, health, and safety data had been assured the integrity and consistency with reference to GRI Standards by an external third party, the detail provided in 94–95 pages.

You can download  
an electronic copy of this report  
as well as previous versions  
from the SCGP website

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We value your feedback. To share your thoughts on the disclosures and presentation in this report, please use the QR code below.



# Sustainability Performance Data

## SCGP 2022 (Thai)

### Environmental Performance

#### Production and Raw Materials

Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Production (Thousand Tons)*	3,439	3,442	3,359	5,700	5,548		RT-CP-000.A
Total Raw Materials (Thousand Tons) EN0.1	5,483	5,177	6,405	7,219	8,649	GRI 301-1	
Recycled Materials (Thousand Tons) EN0.1	2,550	2,597	4,003	4,420	3,916	GRI 301-2	RT-CP-410a.1
Renewable Materials (Thousand Tons) EN0.1	N/A	N/A	N/A	2,750	4,691	GRI 301-1	RT-CP-410a.1

\* Within SGS [Thailand] limited assurance scope [page 94-95]

#### Recycled Materials and Renewable Materials

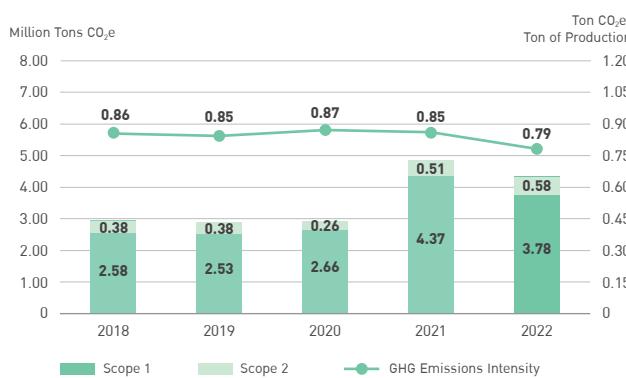


#### Greenhouse Gas Emissions

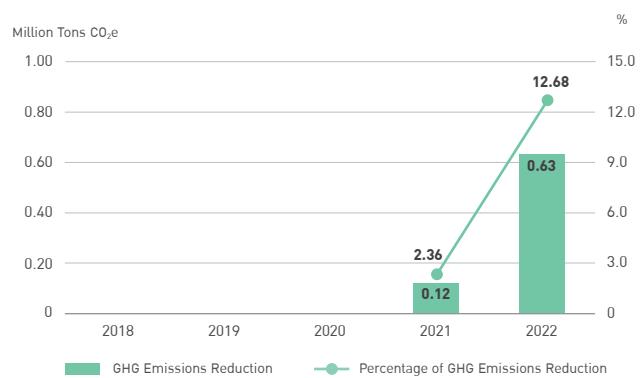
Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
GHG Scope 1 and 2 emissions (Million Tons CO <sub>2</sub> equivalent) EN1,*	2.96	2.91	2.92	4.87	4.36		
GHG Scope 1 emissions (Million Tons CO <sub>2</sub> equivalent) EN1,*	2.58	2.53	2.66	4.37	3.78	GRI 305-1	RT-CP-110a.1
CO <sub>2</sub> emissions from biomass/biogenic (Million Tons CO <sub>2</sub> equivalent) EN1	N/A	N/A	N/A	1.40	1.54	GRI 305-1	
GHG Scope 2 emissions (Million Tons CO <sub>2</sub> equivalent) EN1,*	0.38	0.38	0.26	0.51	0.58	GRI 305-2	
• Market Based (Million Tons CO <sub>2</sub> equivalent)	0.38	0.38	0.26	0.51	0.58		
• Location Based (Million Tons CO <sub>2</sub> equivalent)	0.41	0.41	0.28	0.51	0.63		
GHG Scope 3 emissions (Million Tons CO <sub>2</sub> equivalent) EN1	-	-	-	-	-	GRI 305-3	
GHG Scope 1 and 2 emissions intensity (Ton CO <sub>2</sub> equivalent per Ton of Production)	0.86	0.85	0.87	0.85	0.79	GRI 305-4	
GHG Scope 1 intensity (Ton CO <sub>2</sub> equivalent per Ton of Production)	0.75	0.74	0.79	0.77	0.68	GRI 305-4	
GHG Scope 2 intensity (Ton CO <sub>2</sub> equivalent per Ton of Production)	0.11	0.11	0.08	0.09	0.10	GRI 305-4	
GHG Emission Reduction compared with the base year of 2020 (Million Tons CO <sub>2</sub> equivalent) EN1	0.45	0.49	0.43	0.12	0.63	GRI 305-5	
GHG Emission Reduction compared with the base year of 2020 (%) EN1	13.22	14.45	12.79	2.36	12.68	GRI 305-5	
• GHG Emission Reduction from activities within organization (Million Tons CO <sub>2</sub> equivalent)	N/A	N/A	N/A	N/A	0.63		
• GHG Emission Reduction from carbon offset activities (Million Tons CO <sub>2</sub> equivalent)	N/A	N/A	N/A	N/A	-		

\* Within SGS [Thailand] limited assurance scope [page 94-95]

## Quantity and GHG Emissions Intensity



## Quantity of GHG Emissions Reduction Compared with the Base Year of 2020

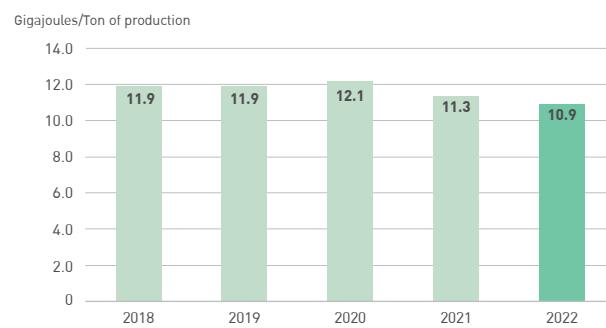


## Energy Consumption

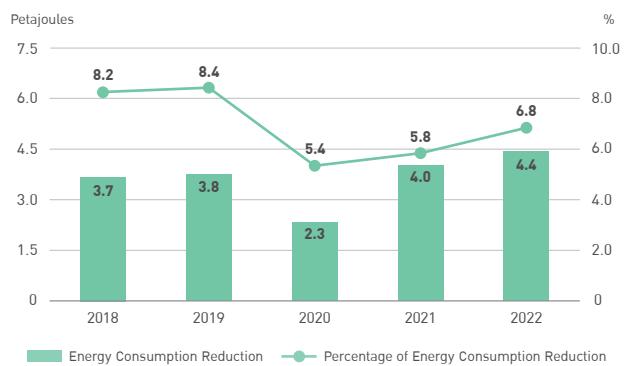
Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Fuel Consumption from Non-Renewable Sources [Petajoules] EN2,*	27.2	26.6	27.8	47.5	41.5	GRI 302-1	
Fuel Consumption from Renewable Sources [Petajoules] EN2,*	10.8	11.2	10.4	13.4	14.6	GRI 302-1	RT-CP-130a.1
Heating and Steam Consumption [Petajoules] EN2,*	1.7	1.7	1.7	1.5	1.4	GRI 302-1	RT-CP-130a.1
Electricity Consumption [Petajoules]	1.4	1.4	1.4	2.7	3.5	GRI 302-1	RT-CP-130a.1
Electricity Sold [Petajoules]	0.1	0.2	0.4	0.3	0.3	GRI 302-1	
Energy Consumption outside of the organization [Petajoules]	-	-	-	-	0.4	GRI 302-2	
Total Energy Consumption within the organization [Petajoules] EN2,*	41.0	40.8	40.8	64.7	60.4	GRI 302-1	RT-CP-130a.1
Total Energy Consumption Intensity [Gigajoules per Ton of Production]	11.9	11.9	12.1	11.3	10.9	GRI 302-3	
Energy Consumption Reduction compared with the base year of 2007 [Petajoules]	3.7	3.8	2.3	4.0	4.4	GRI 302-4	
Energy Consumption Reduction compared with the base year of 2007 [%]	8.2	8.4	5.4	5.8	6.8	GRI 302-4	

\* Within SGS (Thailand) limited assurance scope (page 94-95)

## Total Energy Consumption Intensity



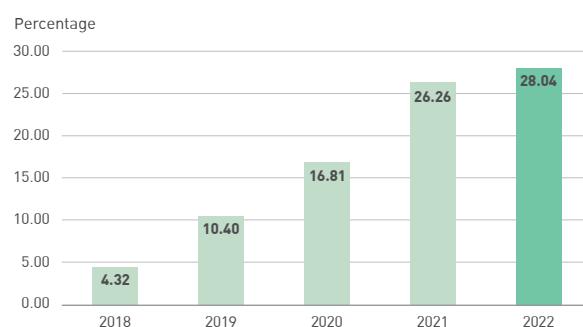
## Energy Consumption Reduction Compared with the Base Year of 2007



## Water Withdrawal and Effluent Quality

Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Total water withdrawal [Million Cubic Meter] EN3,*	65.49	61.32	54.77	78.8	72.8	GRI 303-3	RT-CP-140a.1
Water withdrawal from freshwater (TDS ≤ 1,000 mg/L) [Million Cubic Meter]							
• Surface water	21.10	19.50	17.08	34.2	32.0	GRI 303-3	RT-CP-140a.1
• Groundwater	44.00	41.41	30.64	39.8	36.5	GRI 303-3	RT-CP-140a.1
• Seawater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
• Tap water or Third-party	0.40	0.41	0.42	4.8	4.3	GRI 303-3	RT-CP-140a.1
Water withdrawal from freshwater (TDS > 1,000 mg/L) [Million Cubic Meter] EN3,*							
• Surface water	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
• Groundwater	0.00	0.00	7.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
• Seawater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
• Tap water or Third-party	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
Water withdrawal from freshwater (TDS ≤ 1,000 mg/L) in water stress area EN3,*							
• Surface water	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
• Groundwater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
• Seawater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
• Tap water or Third-party	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
Water withdrawal from freshwater (TDS > 1,000 mg/L) in water stress area [Million Cubic Meter] EN3,*							
• Surface water	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
• Groundwater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
• Seawater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
• Tap water or Third-party	0.00	0.00	0.00	0.00	0.00	GRI 303-3	RT-CP-140a.1
Water Withdrawal Reduction compare with business as usual at base year of 2014 [Million Cubic Meter]	2.96	7.12	11.07	28.08	28.35		RT-CP-140a.2
Water Withdrawal Reduction compare with business as usual at the base year of 2014 (%)	4.32	10.40	16.81	26.26	28.04		RT-CP-140a.2

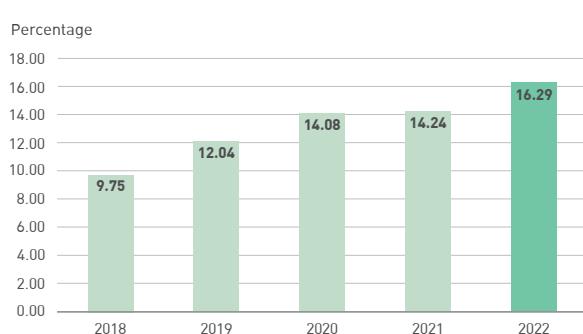
### Water Withdrawal Reduction Compared with Business As Usual (BAU) at the base year of 2014



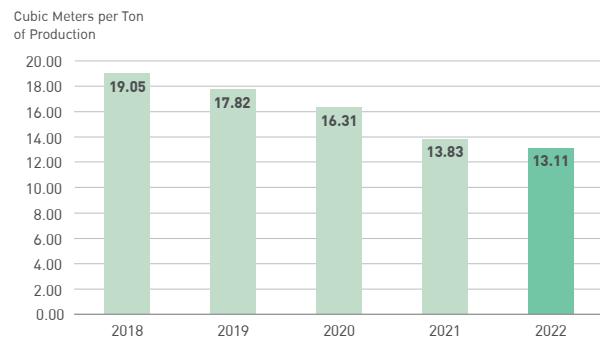
Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Recycle Water [Million Cubic Meter] *	7.07	8.39	8.97	15.86	14.16		RT-CP-140a.1
Proportion of Recycled Water (%)	9.75	12.04	14.08	14.24	16.29		RT-CP-140a.1
Water Withdrawal intensity [Cubic Meter per Tons Production]	19.05	17.82	16.31	13.83	13.11		RT-CP-140a.2
Water Withdrawal Target compare with business as usual at base year of 2014 [Million Cubic Meter]	68.45	68.44	65.84	106.88	101.11		RT-CP-140a.2
Water Withdrawal intensity Target [Million Cubic Meter per Tons Production]	19.91	19.88	19.60	18.75	18.22		RT-CP-140a.2
Water discharge to any sources <sup>EN3,*</sup>							
• surface water [Million Cubic Meter]	N/A	43.80	30.84	58.13	58.32	GRI 303-4	
• groundwater [Million Cubic Meter]	N/A	N/A	1.16	0.00	0.00	GRI 303-4	
• seawater [Million Cubic Meter]	N/A	N/A	0.00	0.00	0.00	GRI 303-4	
• third-party water [total] [Million Cubic Meter]	N/A	N/A	4.69	3.94	3.06	GRI 303-4	
• Third-party water sent for use to other organizations [Million Cubic Meter]	N/A	N/A	4.62	3.81	2.91	GRI 303-4	
Total water discharge [Million Cubic Meter] <sup>EN3,*</sup>	N/A	43.80	36.69	62.06	61.39	GRI 303-4	
Water discharge to freshwater [TDS ≤ 1,000 mg/L] [Million Cubic Meter] <sup>EN3,*</sup>	N/A	N/A	4.31	19.14	14.57	GRI 303-4	
Water discharge to other water [TDS > 1,000 mg/L] [Million Cubic Meter] <sup>EN3,*</sup>	N/A	N/A	32.39	42.93	46.82	GRI 303-4	
Water discharge to freshwater [TDS ≤ 1000 mg/L] in water stress area [Million Cubic Meter] <sup>EN3,*</sup>	N/A	N/A	0.00	0.00	0.00	GRI 303-4	
Water discharge to other water [TDS > 1,000 mg/L] in water stress area [Million Cubic Meter] <sup>EN3,*</sup>	N/A	N/A	0.00	0.00	0.00	GRI 303-4	
BOD [Tons] <sup>EN3</sup>	214	147	153	1,460	666		
COD [Tons] <sup>EN3</sup>	5,074	4,224	3,623	8,093	6,020		
TSS [Tons] <sup>EN3</sup>	792	572	505	1,155	999		

\* Within SGS (Thailand) limited assurance scope (page 94-95)

### Proportion of Recycled Water



### Quantity of Water Withdrawal



## Industrial Waste Management

Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Hazardous Waste Generation (Thousand Tons) EN4,*	1.61	2.00	2.66	63.95	48.36	GRI 306-3	RT-CP-150a.1
Hazardous Waste Generation intensity (Kilograms per Ton of Production)	0.47	0.58	0.79	11.20	8.72		
Hazardous Waste Management EN4,*							
• Reuse / Recycled / Other Recovery / Incineration with Energy Recovery (Thousand Tons)	1.24	1.77	2.66	50.24	39.45	GRI 306-4 GRI 306-5	RT-CP-150a.1
• Incinerated without energy recovery (Thousand Tons)	0.32	0.06	0.02	0.06	0.21	GRI 306-5	RT-CP-150a.1
• Landfilled (Tons)	0.00	0.00	0.77	14,804	8,731	GRI 306-5	RT-CP-150a.1
Hazardous Waste in the storage at the end of year (Thousand Tons) EN4	N/A	0.13	0.11	0.18	1.18		RT-CP-150a.1
Non Hazardous Waste Generation (Thousand Tons) EN4,*	1,065.08	1,053.91	1,042.74	1,488.86	1,467.01	GRI 306-3	
Non Hazardous Waste Generation intensity (Kilograms per Ton of Production)	309.74	306.19	310.40	261.20	264.43		
Non Hazardous Waste Management EN4,*							
• Reuse / Recycled / Other Recovery / Incineration with Energy Recovery (Thousand Tons)	1,011.10	1,074.48	1,064.32	1,469.91	1429.44	GRI 306-5 GRI 306-4	
• Incinerated without energy recovery (Thousand Tons)	0.40	0.28	0.00	36.05	36.04	GRI 306-5	
• Landfilled (Tons)	0.00	0.00	0.00	2,945.86	3,505.06	GRI 306-5	
Non Hazardous Waste in the storage at the end of year (Thousand Tons) EN4	N/A	145.22	123.63	103.10	105.12		

## Air Emissions

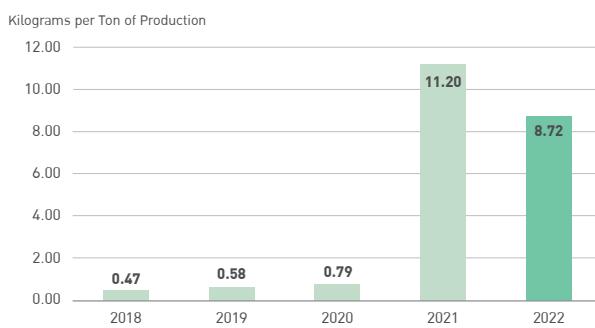
Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Oxides of Nitrogen (Thousand Tons) EN5,*	2.86	2.48	2.97	3.83	3.79	GRI 305-7	RT-CP-120a.1
Oxides of Sulfur (Thousand Tons) EN5,*	2.20	1.81	2.57	3.80	3.67	GRI 305-7	RT-CP-120a.1
Particulate Matter (Thousand Tons) EN5,*	0.39	0.34	0.31	0.95	0.90	GRI 305-7	RT-CP-120a.1

## Environmental Expenditures and Benefits/Violations of Legal Obligations and Regulations

Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Operating Expenses-Environment (Million Baht)	722	681	742	739	1,005		
Capital Investments-Environment (Million Baht)	347	383	330	512	310		
Tax Incentives linked to environment investment) EN6	19	17	8	70	56		
Number of violations of legal obligations/regulations (Number of Cases) EN7	0	0	0	0	0	GRI 2-27	
Amount of fines/penalties related to the above (Baht) EN7	0	0	0	0	0	GRI 2-27	
Environmental liability accrued at year end (Baht) EN7	0	0	0	0	0	GRI 2-27	

\* Within SGS (Thailand) limited assurance scope (page 94-95)

### Hazardous Waste Generation per Ton of Production



### Non Hazardous Waste Generation per Ton of Production



### Waste diverted from disposal- Thailand, GRI 306-4\*

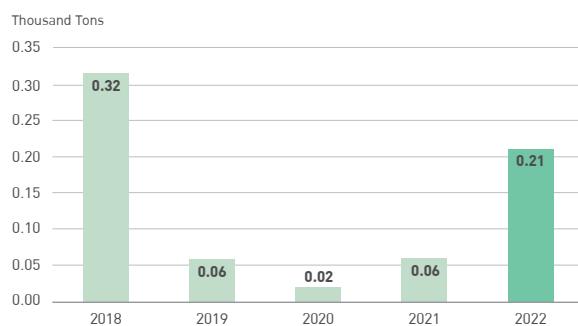
2022 (Tons)					
	In SCGP		Out SCGP		Total
	Factory	In SCGP	In SCG	Out SCG	
<b>Hazardous waste</b>					
Reuse	0.00	0.00	0.00	290.46	<b>290.46</b>
Recycling	2.85	0.00	39.46	29,268.47	<b>29,310.78</b>
Other recovery operations	0.00	0.00	0.00	239.94	<b>239.94</b>
Treatment	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>2.85</b>	<b>0.00</b>	<b>39.46</b>	<b>29,798.88</b>	<b>29,841.19</b>
<b>Non Hazardous Waste</b>					
Preparation for reuse	1376.96	5,201.96	0.00	12,346.29	<b>18,925.21</b>
Recycling	74,579.05	447,575.99	57,855.68	387,487.02	<b>967,497.74</b>
Other recovery operations	0.00	0.00	0.00	3.78	<b>3.78</b>
Treatment	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>75,956.01</b>	<b>452,777.95</b>	<b>57,855.68</b>	<b>399,837.09</b>	<b>986,426.73</b>

### Waste directed to disposal-Thailand, GRI 306-5\*

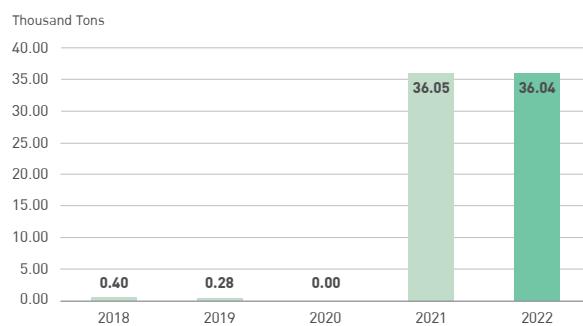
2022 (Tons)					
	In SCGP		Out SCGP		Total
	Factory	In SCGP	In SCG	Out SCG	
<b>Hazardous waste</b>					
Incineration (with energy recovery)	7,192.09	0.00	0.00	2,413.06	<b>9,605.15</b>
Incineration (without energy recovery)	0.00	0.00	0.00	31.01	<b>31.01</b>
Landfilling	0.00	0.00	0.00	8,731.16	<b>8,731.16</b>
Other disposal operations	0.00	0.00	0.00	182.68	<b>182.68</b>
<b>Total</b>	<b>7,192.09</b>	<b>0.00</b>	<b>0.00</b>	<b>11,357.91</b>	<b>18,550.00</b>
<b>Non Hazardous Waste</b>					
Incineration (with energy recovery)	274,718.59	21,887.97	16,272.53	130,136.85	<b>443,015.94</b>
Incineration (without energy recovery)	0.00	0.00	0.00	35,526.32	<b>35,526.32</b>
Landfilling	0.00	0.00	0.00	3,505.06	<b>3,505.06</b>
Other disposal operations	0.00	0.00	0.00	510.08	<b>510.08</b>
<b>Total</b>	<b>274,718.59</b>	<b>21,887.97</b>	<b>16,272.53</b>	<b>169,678.31</b>	<b>482,557.40</b>

\* Within SGS (Thailand) limited assurance scope (page 94-95)

#### Hazardous Waste Management Incinerated without Energy Recovery



#### Non Hazardous Waste Management Incinerated without Energy Recovery



EN0.1	<b>Production and Raw Materials</b>
	<p>1. Total raw material and recycled raw material during 2018 - 2020, this included leftover paper used as raw material for Thailand and abroad.</p> <p>2. For the year 2021-2022, the total raw material, recycled raw material, renewable raw material are reported separately according to their usage location covering Thailand and abroad.</p> <p>3. Production data from abroad companies has been included since 2022.</p> <p>4. In 2022, production and raw material data of Siam Nippon Industrial Paper Co., Ltd. are excluded.</p>
EN1	<b>EN1 Greenhouse Gas</b>
	<p>Greenhouse gas means the amount of greenhouse gas emission from operations calculated in accordance with the WRI / WBCSD GHG Emissions Protocol "Greenhouse Gas Reporting and Calculation Guidelines", including calculation tools from the International Council of Forest and Paper Associations (ICGPA) as follows</p> <p><b>1. Scope of reporting</b></p> <p>1.1 Direct Greenhouse Gas emission (Scope 1)</p> <p>It is generated from the production process or various sources under control or own by a company or factory, such as the emission of greenhouse gas from stationary combustion source, greenhouse gas emissions from mobile combustion sources and greenhouse gas emissions from chemical reactions. Carbon dioxide emissions occurring from biomass burning and Lime Mud burning at Lime Kiln are reported separately from Scope 1 because the carbon contained in biomass, biogas and lime is from natural origin.</p> <p>1.2 Greenhouse gas indirectly generated (Scope 2)</p> <p>It is generated by indirect greenhouse gas emissions from energy use, e.g. the amount of greenhouse gases generated from electricity, heat or steam imported from outside for internal consumption.</p> <p>1.3 Greenhouse gas indirectly generated (Scope 3)</p> <p>It is generated from other indirect greenhouse gas emissions arising from activities other than those specified in Scope 1 and 2 (Existing During the study and collecting information in the section Transportation, Processing of sold products, use of sold products, End-of-life treatment of sold products).</p> <p>1.4 Carbon dioxide emission from biomass/biogas combustion (Biogenic CO<sub>2</sub>)</p> <p>It is generated from biomass/biogas combustion such as, biomass, wastewater sludges, biogas, black liquor from pulp production.</p> <p><b>2. Volume reporting</b></p> <p>2.1 Calculation of direct greenhouse gas emissions from production processes (Scope 1)</p> <ul style="list-style-type: none"> <li>• Combustion sources.</li> <li>• Report based on fuel consumption [By weight or volume], e.g. oil or natural gas x emission values referenced from the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) Other than TGO refer to "Intergovernmental Panel on Climate Change 2006", (IPCC).</li> <li>• Report based on fuel consumption. (Based on heat value) such as coal content x heat value x TGO-referenced greenhouse gas emissions in the event other than TGO Other than TGO refer to "Intergovernmental Panel on Climate Change 2006", (IPCC).</li> </ul> <p>2.2 Calculation of indirect greenhouse gas emission (Scope 2) from amount of purchased electricity or steam x emission factor from TGO/ producer/seller.</p> <p>2.3 In 2021, SCGP has set target to reducing Greenhouse gas emissions at least 20% by 2030 compared with the base year of 2020 (4.99 million tons CO<sub>2</sub>e), both Thailand and abroad companies.</p> <p>2.4 Greenhouse gas data from abroad companies has been included since 2021.</p> <p>2.5 In 2022, greenhouse gas data from Siam Nippon Industrial paper Co., Ltd. was excluded which could cause insignificant uncertainty (&lt;0.05%) in greenhouse gas calculation.</p> <p><b>3. Greenhouse gas emissions reporting</b></p> <p>Greenhouse gas emissions are reporting covers CO<sub>2</sub> CH<sub>4</sub> N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub>, calculated and displayed in the form of carbon dioxide equivalent to the Global Warming Potential (GWP) set by the IPCC.</p>
EN2	<b>Energy</b>
	<p>Total energy consumption includes all thermal, steam and electricity used in the company/factory areas. For the details on thermal energy presents the amount of renewable fuel, non-renewable fuel and electricity sold to outside and subsidiaries of SCGP</p> <p>1. Thermal energy consumption = fuel weight or steam volume (Based on the volume purchased or stockpile changed) x Low Heating Value (provided by laboratory test or suppliers).</p> <p>2. Electrical energy consumption = energy used in form of electrical currents that purchased from outsources electrical generators for companies/plants' activities and does not account self-generated electricity from fuel combustion since it can be considered as double-count for thermal energy.</p> <p>3. Renewable fuel = biomass, sludge from wastewater treatment process, black liquor and biogas.</p> <p>4. Biomass = fuel from wood chips, bark and bagasse.</p> <p>5. Non-renewable fuel = fossil fuels and waste material rejects from the production process, which produced from fossil fuels such as waste reject and used oil.</p> <p>6. Renewable energy = Clean energy derived from nature are biomass (Biomass, Biogas, Sludge, Black Liquor), solar energy, wind power, hydropower, geothermal energy to be used as a replacement for energy from fossil fuels.</p> <p>7. Non-renewable energy = energy from fossil fuels and steam purchased which is produced from fossil fuels.</p> <p>8. Energy data from abroad companies has been included since 2021.</p> <p>9. In 2022, energy data of Siam Nippon Industrial Paper Co., Ltd. is excluded.</p>

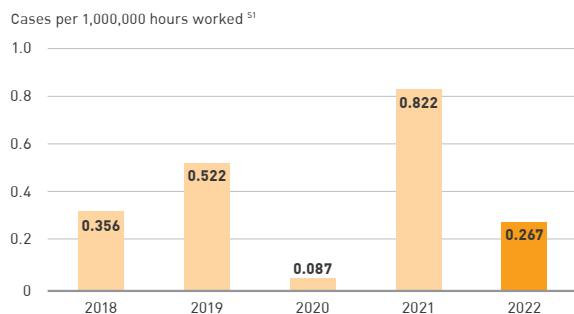
EN3	<b>Water</b>
	<p>1. Water management (water withdrawal, water discharge, water treatment and water recycling) is considered in order to assess efficiency of water from various sources.</p> <p>2. Water withdrawal is the quantity of fresh water taken from external sources for used in production process, offices, maintenance and utilities. Sources of water are divided into 5 type: surface water, groundwater, sea water, tap water and recycled water- the treated water returned to the process. It is obtaining data from accounting evidences or meter reading.</p> <p>3. Effluent water quality is the quality of water discharged to external by measuring the Total Dissolved Solids (TDS). According to the standard methods to categorize the quality of water sources, there are 2 types of effluent water quality as follows.</p> <ul style="list-style-type: none"> <li>• Freshwater TDS is less than or equal to 1,000 milligrams per litre.</li> <li>• Other water TDS more than 1,000 milligrams per litre</li> </ul> <p>4. Water recycling, the reused water in a factory's activities after treatment processes, excluding water that has not undergone the treatment process.</p> <p>5. Effluent water quality is the quality of water discharged to external sources, such as BOD COD and Total Suspended Solids (TSS) with the quality of discharged water measured by a standard test method and volume of released water.</p> <p>6. Water source quality is the quality of various water sources by measuring the Total Dissolved Solids (TDS). According to the standard methods to categorize the quality of water sources into 2 types as follows.</p> <ul style="list-style-type: none"> <li>• Freshwater TDS is less than or equal to 1,000 milligrams per litre.</li> <li>• Other water TDS more than 1,000 milligrams per litre.</li> </ul> <p>7. Water data from abroad companies has been included since 2021.</p> <p>8. In 2022, water data of Siam Nippon Industrial Paper Co., Ltd. is excluded.</p>
EN4	<b>Industrial Waste</b>
	<p>Waste Management is considered to assess the production process efficiency, product quality improvement, and a decrease in production cost. SCGP has established "Waste Reporting Guideline" since March 2010 for waste data collection and calculation.</p> <p>The quantity of industrialwaste is the amount of waste generated from the production process, excluding the waste that can be recycled in the production process (Work in process, WIP). Industrial wastes are divided into 2 categories comprising hazardous waste and non-hazardous waste as listed in the Ministry of Industry's 2005 Decree on the Disposal of Wastes and Unused Materials.</p> <p><b>Quantification Report</b></p> <p>1. Waste Generation means waste or unused material at the place of origin or before entering the waste storage building is compiled from weighting scale or estimation.</p> <p>2. Industrial waste stock refers to the amount of waste that occurs but not yet managed or collected in storage areas is compiled from weighting scale or estimation.</p> <p>3. Waste Manage refers to the amount of waste, to be managed both inside and outside SCGP compiled from weighting scale only.</p> <p>4. SCGP's internal waste management (Onsite) means waste management operated by companies within the scope of SCGP's management.</p> <p>5. SCGP's external waste management (Offsite) means waste management operated by companies outside the scope of SCGP's management.</p> <p>6. Amount of waste during 2017-2020 were reported following GRI 306-2, 2006.</p> <p>7. Amount of waste since from 2021 has been reported following GRI 306-2, 2020.</p> <p>8. Data from 2021 onward is inclusive of data from abroad.</p> <p>9. In 2021, waste management data of Siam Nippoin Industrail Paper is excluded.</p>
EN5	<b>Air Emissions</b>
	<p>Air emissions are the quantity of air pollution such as NO<sub>x</sub>, SO<sub>x</sub>, and Particulate Matter deriving from combustions and being the components during the production process. Types of air pollutants depend upon each production process in which chemical substance is produced. The result and measurement method shall refer to the method required by laws such as US EPA or equivalent standard.</p> <p>1. Reporting on air emission quantity will be calculated based on concentration measured from random Spot Check conducted by laboratories certified and registered to the Department of Industrial Works, multiplied by hot air flow rate and production hours. Besides, SCGP measures the stack's emissions using continuous Emission Monitoring Systems (CEMs).</p> <ul style="list-style-type: none"> <li>• Fiber-based Packaging business and Performance Packaging business measure the air emissions from stacks by random Spot Check method on actual conditions by certified laboratory and registered with Department of Industrial Works.</li> <li>• Food Packaging Paper and Pulp &amp; Paper Packaging business measures the air emissions from stacks by Continuous Emission Monitoring System (CEM).</li> </ul> <p>2. In 2021, SCGP set the target to reduce the intensity emission of air pollution [Particulate matter, Sulfure Oxide (SO<sub>x</sub>), Nitrogen oxide (NO<sub>x</sub>)] per ton of production 5% by 2025 and 10% by 2030 compared with the base year of 2020, both Thailand and abroad companies.</p> <p>In 2020, Thailand and abroad companies have air emission intensity as follows;</p> <ul style="list-style-type: none"> <li>• Oxide of Nitrogen 0.702 kg per ton of production</li> <li>• Oxide of Sulfur 0.696 kg per ton of production</li> <li>• Particulate Matter 0.178 kg per ton of production</li> </ul> <p>3. Air Emission data from abroad companies has been included since 2021.</p> <p>4. In 2022, air emission data of Siam Nippon Industrial Paper Co., Ltd. is excluded.</p>
EN6	<b>Tax priveledge from Board of Investment (BOI) for environmental project</b>
EN7	<b>Amount of Fines or Compare Fines in case of violation of Legal binding/regulatory obligations are over USD 10,000</b>
	<p>1. In 2022, the report does not include the number/amount of fines in cases of legal obligations, regulations violations exceeding 10,000 USD imposed on Siam Nippon Industrial Paper Co., Ltd.</p>

## Social Performance

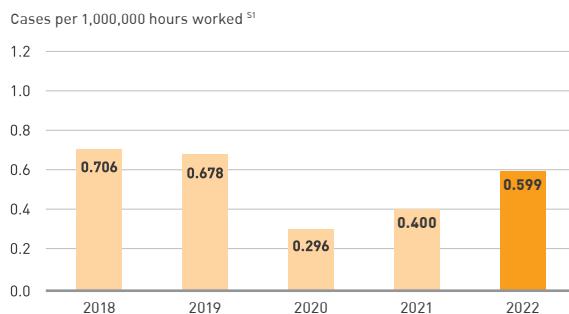
### Health and Safety

Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Lost Time Injury Frequency Rate : LTIFR [Cases per 1,000,000 hours worked] <sup>§1</sup>							
• Employee	0.356	0.522	0.087	0.822	0.267		
• Contractor	0.706	0.678	0.296	0.400	0.599		
Injury Severity Rate: ISR [Cases per 1,000,000 hours worked] <sup>§1</sup>							
• Employee	4.528	10.200	0.831	7.644	2.241		
• Contractor	7.109	8.098	8.155	6.858	18.853		
Total Number of Work-Related Fatalities [Cases] <sup>§1,*</sup>							
• Employee (male : female)	0 : 0	0 : 0	0 : 0	1 : 0	0 : 0	GRI 403-9	
• Contractor (male : female) (Workplace and Direct Transportation)	1 : 0	0 : 0	0 : 0	1 : 0	0 : 0	GRI 403-9	
Total Number of Fatalities from Work-Related in Workplace [Cases] <sup>§1,*</sup>							
• Employee (male : female)	0 : 0	0 : 0	0 : 0	1 : 0	0 : 0	GRI 403-9	
• Contractor (male : female)	1 : 0	0 : 0	0 : 0	1 : 0	0 : 0	GRI 403-9	
Total Number of Fatalities from Work-Related in Transportation [Cases] <sup>§1,*</sup>							
• Employee (male : female)	0 : 0	0 : 0	0 : 0	0 : 0	0 : 0	GRI 403-9	
• Direct Transportation Contractor (male : female)	0 : 0	0 : 0	0 : 0	0 : 0	0 : 0	GRI 403-9	
• Other Transportation Contractor (male : female)	0 : 0	2 : 0	0 : 0	0 : 0	0 : 0	GRI 403-9	
Number of Fatalities as a result of Work-Related Injury [Cases] <sup>§1,*</sup>							
• Employee	0	0	0	1	0	GRI 403-9	
Fatalities as a result of Work-Related Injury Rate [Cases per 1,000,000 hours worked] <sup>§1,*</sup>							
• Employee	0.000	0.000	0.000	0.027	0.000	GRI 403-9	
Number of Fatalities as a result of Work-Related Injury [Cases] <sup>§1,*</sup>							
• Contractor	1	0	0	1	0	GRI 403-9	
Fatalities as a result of Work-Related Injury Rate [Cases per 1,000,000 hours worked] <sup>§1,*</sup>							
• Contractor	0.050	0.000	0.000	0.027	0.000	GRI 403-9	
Number of High Consequence Work-Related Injury [Cases] <sup>§1,*</sup>							
• Employee	N/A	N/A	0	2	1	GRI 403-9	
High Consequence Work-Related Injury Rate [Cases per 1,000,000 hours worked] <sup>§1,*</sup>							
• Employee	N/A	N/A	0.000	0.055	0.027	GRI 403-9	
Number of High Consequence Work-Related Injury [Cases] <sup>§1,*</sup>							
• Contractor	N/A	N/A	1	2	2	GRI 403-9	
High Consequence Work-Related Injury Rate [Cases per 1,000,000 hours worked] <sup>§1,*</sup>							
• Contractor	N/A	N/A	0.027	0.053	0.063	GRI 403-9	
Number of Recordable Work-Related Injury [Cases] <sup>§1,*</sup>							
• Employee	30	30	23	67	53	GRI 403-9	

### Lost Time Injury Frequency Rate : LTIFR (Employee)



### Lost Time Injury Frequency Rate : LTIFR (Contractor)



Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Recordable Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup>							
• Employee	1.526	1.423	1.006	1.836	1.414	GRI 403-9	
Number of Recordable Work-Related Injury (Cases) <sup>S1,*</sup>	50	43	27	48	56	GRI 403-9	
Recordable Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup>							
• Contractor	2.521	1.823	0.727	1.281	1.765	GRI 403-9	
Hours worked (Hrs.) <sup>S1,*</sup>							
• Employee	19,654,401	21,078,805	22,869,683	36,498,929	37,481,036	GRI 403-9	
• Contractor	19,833,700	23,585,144	37,155,610	37,471,979	31,719,780	GRI 403-9	
Number of Occupational Illness & Disease (Cases)*							
• Employee	0	0	0	0	0	GRI 403-10	
• Contractor	0	0	0	0	0	GRI 403-10	
Number of Recordable Occupational Illness & Disease (Cases)*							
• Employee	0	0	0	0	0	GRI 403-10	
• Contractor	0	0	0	0	0	GRI 403-10	
Occupational Illness & Disease Frequency Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup>							
• Employee	0	0	0	0	0	GRI 403-10	

\* Within SGS (Thailand)'s limited assurance scope [Page 94-95]

## Employee and Social Development

Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Number of Employees (Persons) <sup>S2</sup>	6,748	6,660	6,416	23,341	22,289	GRI 2-7	RT-CP-000.C
• By Gender (Female : Male)	N/A	N/A	N/A	N/A	5,166 : 17,123		
• By Age Group (under 30 yr : 30 - 50 yr : over 50 yr)	N/A	N/A	N/A	N/A	5,854 : 12,311 : 4,124		
Female share of total workforce (%)	16.9	16.9	17.5	17.9	21.9	GRI 405-1	
Female in all management positions (%)	18.9	19.6	20.6	21.2	24.4	GRI 2-7	
Female in junior management positions (%)	20.8	21.3	23.0	23.5	23.5		
Female in top management positions (%)	6.3	10.5	7.7	8.1	8.9		
Female in management positions in revenue-generating functions (%) <sup>S3</sup>	20.1	20.1	19.6	18.2	18.0		
Female in Science, Technology, Engineering and Mathematics positions (STEM-related positions) (%)	N/A	N/A	N/A	42.1	40.9		
Proportion of local senior management (%) <sup>S4</sup>	0.6	0.9	0.8	0.7	0.7	GRI 202-2	
Average salary of Executive Level (base salary only) (Baht)*							
• Female	0	0	0	0	0	GRI 405-2	
• Male	6,342,000	6,723,000	6,844,000	5,368,444	6,774,800	GRI 405-2	
Ratio of average salary of female to male (Executive Level) (base salary only)*	0	0	0	0	0	GRI 405-2	
Executive level (base salary + other cash incentives) (Baht)*							
• Female	N/A	N/A	N/A	0	0	GRI 405-2	
• Male	N/A	N/A	N/A	8,955,339	11,029,875	GRI 405-2	
Ratio of average salary of female to male (Executive Level) (base salary + other cash incentives)*	N/A	N/A	N/A	0	0	GRI 405-2	

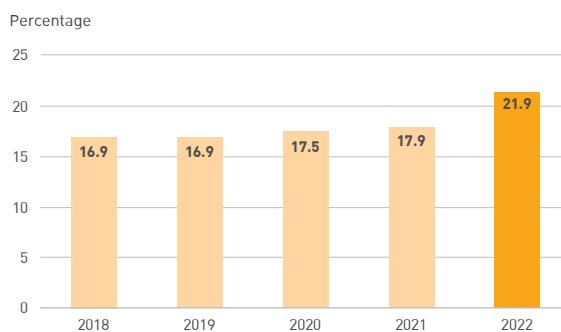
Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Average salary of Management Level (base salary only) [Baht]*							
• Female	2,203,000	2,363,000	2,331,000	2,208,303	2,233,090	GRI 405-2	
• Male	2,403,000	2,458,000	2,501,000	2,187,859	2,431,474	GRI 405-2	
Ratio of average salary of female to male (Management Level) [base salary only]*	0.917	0.961	0.932	1.009	0.918	GRI 405-2	
Average salary of Management Level (base salary + other cash incentives) [Baht]*							
• Female	3,148,000	3,170,000	3,143,000	2,942,157	3,176,664	GRI 405-2	
• Male	3,650,000	3,485,000	3,585,000	3,132,744	3,658,904	GRI 405-2	
Ratio of average salary of female to male (Management Level) [base salary+other cash incentives]*	0.862	0.910	0.877	0.939	0.868	GRI 405-2	
Average salary of Non-management Level (base salary only) [Baht]*							
• Female	533,000	563,000	584,000	584,901	596,741	GRI 405-2	
• Male	442,000	461,000	478,000	476,272	493,696	GRI 405-2	
Ratio of average salary of female to male (Non-management Level) [base salary only]*	1.206	1.221	1.222	1.228	1.209	GRI 405-2	
Average salary of Non-management Level (base salary + other cash incentives) [Baht]*							
• Female	N/A	N/A	N/A	792,075	820,962	GRI 405-2	
• Male	N/A	N/A	N/A	773,453	778,892	GRI 405-2	
Ratio of average salary of female to male (Non-management Level) [base salary + other cash incentives]*	N/A	N/A	N/A	1.024	1.054	GRI 405-2	
Number of employees with disability [person] <sup>S5</sup>	N/A	N/A	N/A	76	87		
Employees with disability share of total workforce (%)	N/A	N/A	N/A	0.86	0.39	GRI 405-1	
Employees represented by an independent trade union or covered by collective bargaining agreements [%] <sup>S6</sup>	100	100	100	100	100	GRI 2-30	
Number of new employees hire [Persons]	245	174	133	723	1,259	GRI 401-1	
New employees hire of total workforce (%)	3.6	2.6	2.1	5.0	5.6	GRI 401-1	
• By Gender (Female : Male) (%)	N/A	N/A	N/A	N/A	47:53		
• By Age Group (under 30 yr : 30-50 yr : over 50 yr) (%)	N/A	N/A	N/A	N/A	79.5:20.3:0.2		
• By Region (ASEAN / Non-ASEAN) (%)	N/A	N/A	N/A	N/A	100:0		
Number of open positions filled by internal candidates (Rotation/Promotion) [Persons]	N/A	N/A	N/A	N/A	688		
Open positions filled by internal candidates (Rotation/Promotion) of total workforce (%)	N/A	N/A	N/A	N/A	4.76		
• By Gender (Female : Male) (%)	N/A	N/A	N/A	N/A	30:70		
• By Age Group (under 30 yr : 30-50 yr : over 50 yr) (%)	N/A	N/A	N/A	N/A	11:73:16		
Average hiring cost of new employee (Baht/Person)	N/A	N/A	N/A	41,781	62,842		
Voluntary employee turnover [Persons]	235	228	289	1,054	920	GRI 401-1	
Voluntary employee turnover rate (%)	3.5	3.4	4.5	7.2	4.1	GRI 401-1	
• By Gender (Female : Male) (%)	N/A	N/A	N/A	N/A	40:60		
• By Age Group (under 30 yr : 30-50 yr : over 50 yr) (%)	N/A	N/A	N/A	N/A	49:48:3		
• By Region (ASEAN / Non-ASEAN) (%)	N/A	N/A	N/A	N/A	100:0		
Total employee turnover [Persons]	242	238	475	1,115	1,300	GRI 401-1	
Total employee turnover rate (%)	3.6	3.6	7.4	7.6	5.8	GRI 401-1	
• By Gender (Female : Male) (%)	N/A	N/A	N/A	N/A	50:50		
• By Age Group (under 30 yr : 30-50 yr : over 50 yr) (%)	N/A	N/A	N/A	N/A	47:42:11		
• By Region (ASEAN / Non-ASEAN) (%)	N/A	N/A	N/A	N/A	100:0		
Number of employees taken parental leave [Persons] <sup>S7</sup>	30	42	34	42	90	GRI 401-3	
Number of employees returned to work after parental leave [Persons]	30	41	34	39	87	GRI 401-3	

Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Employee engagement level (%)	74	74	80	76	76		
• By Age Group [Gen-X / Gen-Y / Gen-Z / BB] (%)	N/A	N/A	N/A	N/A	82 : 72 : 76 : 86		
• By Region [ASEAN / Non-ASEAN] (%)	N/A	N/A	N/A	N/A	81 : 56		
Average training and development of employee (Hours/Person)	48	42	24	12	15	GRI 404-1	
• By Gender [Female : Male] (Hours/Person)	N/A	N/A	N/A	N/A	16 : 15		
• By Employee level [Operation : Supervisory : Management] (Hours/Person)	N/A	N/A	N/A	N/A	9 : 35 : 31		
Average mandatory training and development program of employee (Hours/Person)	N/A	N/A	N/A	N/A	6		
Average non-mandatory training and development of employee (Hours/Person)	N/A	N/A	N/A	N/A	9		
Percentage of employee who have received training in the organization's human rights policies (%)	N/A	N/A	N/A	N/A	100	GRI 410-1	
Average cost of hiring a new employee (Baht/Person)	50,920	31,617	20,387	10,082	7,301		
• By Gender [Female : Male] (Baht/Person)	N/A	N/A	N/A	N/A	1,979 : 5,322		
• By Age Group [under 30 yr : 30-50 yr : over 50 yr] (Baht/Person)	N/A	N/A	N/A	N/A	945 : 4,873 : 1,483		
Employee volunteering during paid working hours (Million Baht)	4	3	4	2	15		
In-kind giving: product or services donations, projects/partnerships or similar (Million Baht)	28	11	7	29	7		
Management overheads related to CSR activity (Million Baht)	22	26	34	25	42		
Contribution for social and community development (Million Baht)	N/A	N/A	N/A	N/A	43	GRI 201-1	

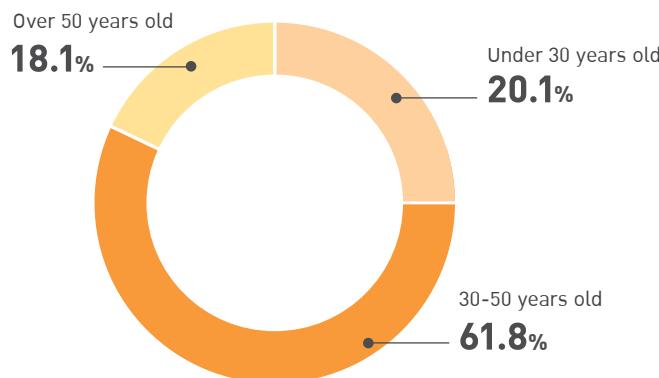
\* Within SGS (Thailand)'s limited assurance scope (Page 94-95)

Remark: In 2022, Social Performance data is reported within the Sustainability Report's scope except the number of employee which reported within the Annual Report's scope. In addition, social performance data of Siam Nippon Industrial Paper Co., Ltd. is excluded.

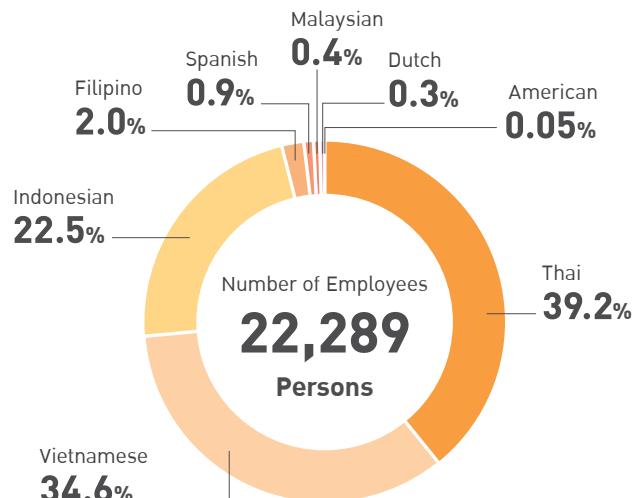
### Female Share of Total Workforce



### Percentage of Employees by Age



### Percentage of Employees by Nationality



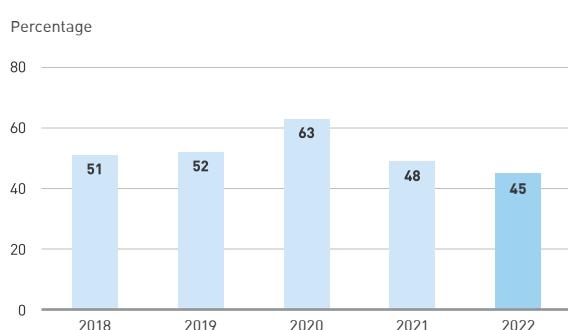
S1	<b>Data on Number of Employees and Contractors</b>
	<p>1. Employee is a full-time employee according to an employment contract such as operational level, supervisory and technical staff level, and managerial level including intern (probationary) and special contracted employee.</p> <ul style="list-style-type: none"> <li>• Operator staffs are employees who use skills and techniques in their daily work.</li> <li>• Supervisory and professional staff are employees with specific duties or have subordinates at the operational level.</li> <li>• Management staffs are executives responsible for formulating strategies or policies and accountable for allocating work and overseeing subordinates to perform their duties according to the policy and daily work.</li> <li>• Special Contracts are those who work under a temporary contract with fixed starting and ending periods.</li> </ul> <p>2. Contractor is a person who has been consented to work or provide service or benefit to the Company apart from the Company's employee as per the definition specified above, which could be divided into 3 groups as follows:</p> <ol style="list-style-type: none"> <li>1) Workplace Contractor is a contractor that works for the organization, and whose work and/or workplace is controlled by the organization. [Exclude Transportation contractor].</li> <li>2) Direct Transportation Contractor is a transportation Contractor with operation under SCGP's brand.</li> <li>3) Other Transportation Contractor without operation under SCGP's brand.</li> </ol> <p>Employees and workplace contractors data covered in the report will be calculated for the number of man-hours. Data on transportation contractors under SCG Logistics Management Co., Ltd., will be reported in kilometer.</p> <p>SCGP also defines a not under supervision contractor that the contractor is not under the control of the organization, whose work and/ or workplace is not controlled by the organization; including the third party that is anyone other than employees and not contractor who do not work for the organization, are not covered in this report.</p>
<b>Calculation of hours worked</b>	
<ol style="list-style-type: none"> <li>1. Data from the clock-in system, HR database, accounting unit or relevant administrative unit.</li> <li>2. Data from documents that specify hours worked such as timesheets, time records from the accounting department that pay wages, departments that have evidence of time record the number of hours worked or collected hours from Work Permit.</li> <li>3. In case the companies/plants do not have a clock-in system or HR database, the below formula shall be employed to estimate the hours worked.</li> </ol> <p>Number of hours worked = [Number of Employees/Contractors x Number of working days x Number of normal hours worked (per day)] + number of total overtime hours worked. (only operational employees and contractors).</p>	
<b>Recording of Health and Safety Data</b>	
<p>SCGP records data on health and safety at work by dividing into 6 categories:</p> <ol style="list-style-type: none"> <li>1. The number of fatalities is the number of work-related injuries resulting in fatality regardless of sudden death or suffering the consequences and dying later.</li> <li>2. Injury Frequency Rate is total number of recordable work-related injury case (person) per 1,000,000 hours worked.</li> <li>3. Lost Time Injury Frequency Rate is total number of recordable work-related lost time injury case (person) per 1,000,000 hours worked.</li> </ol> <p>Lost Time Injury accident refers to a work-related accident that causes an injury cannot come to work as usual on the next work day or in the next shift, including the injury and occupational illness that causes inability return to work, which is a consequence of the accident.</p> <ol style="list-style-type: none"> <li>4. Injury Severity Rate is total number of lost workday (day) from recordable work-related lost time injury case (person) per 1,000,000 hours worked.</li> <li>5. High-Consequence Work-related injury Rate is a total number of High-Consequence Work-related injury case (person) per 1,000,000 hours worked (excluded fatality).</li> <li>6. Occupational Illness &amp; Disease Frequency Rate refer to the total number of recordable Occupational Illness &amp; Disease (person) - per 1,000,000 hours worked.</li> </ol> <p>SCGP changed the calculation rate based on a case or day/200,000 hours worked to a case or day/1,000,000 hours worked to be suitable to the organizational size and compared with other companies within the same industry.</p> <p>Since 2020, started to collect and calculate the data of High-Consequence Work-Related injury Rate.</p>	
S2	<b>Number of employee is reported within the Annual Report's scope.</b>
S3	<b>Revenue - generating functions, e.g., marketing, sales, production.</b>
S4	<b>Calculate from the total number of local Management Level over total staff in abroad.</b>
S5	<b>Visual and physical impairment and movement disabilities or others. e.g., hearing impairment, mental disability, communication disability.</b>
S6	<b>Employees joining trade unions or working with the company covered by the Welfare Committee.</b>
S7	<b>Under Thai laws, only female employees can take parental leave.</b>

## Economic Performance

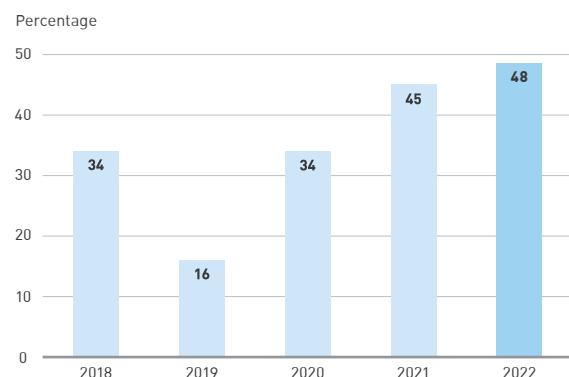
**Economic Performance covers SCGP and subsidiaries both Thailand and abroad**

Performance	2018	2019	2020	2021	2022	GRI Standard	SASB
Revenue from sales [Billion Baht]	87	89	93	124	146	GRI 201-1	
Profit for the year [Billion Baht]	6	5	6	8	6	GRI 201-1	
EBITDA [Billion Baht]	15	15	17	21	19	GRI 201-1	
Employee compensation comprising salary, wage, welfare and regular contributions [Million Baht]	8,673	10,025	10,603	11,687	13,542	GRI 201-1	
Dividend to shareholders [Million Baht] EC1	7,815	3,300	1,932	2,790	2,576	GRI 201-1	
Interest and financial expenses to lender [Million Baht]	1,040	1,741	1,452	1,180	1,468	GRI 201-1	
Taxes to government and local government authorities such as income tax, local maintenance tax, property tax and other specific taxes [Million Baht]	1,296	1,621	1,756	1,933	1,715	GRI 201-1	
Contributions to organizations [Baht] EC2	N/A	N/A	500,177	2,462,438	1,208,770		
Contributions to political activities [Million Baht] EC3	0	0	0	0	0	GRI 415-1	
Privilege tax and others from investment promotion, and research and development [Million Baht]	406	408	244	293	159	GRI 201-4	
Non-compliance case through SCG Whistleblowing System [Cases]	8	3	10	8	6	GRI 205-3	
Investment for Research & Development and Innovation [Million Baht] EC4	425	584	529	958	522		
Suppliers that assessed Environmental, Social and Governance [ESG] Risks (% of procurement spending) EC5	100	100	100	100	100	GRI 414-1	
Procurement Spending by Geography (% of procurement spending) EC6							
• Domestic	57	53	55	88	70	GRI 204-1	
• Regional	43	47	45	12	30		
Revenue from Sales of High Value Added Products and Services [Billion Baht]	44	46	58	59	66		
Revenue from Sales of High Value Added Products and Services (%)	51	52	63	48	45		
Revenue from Sales of SCG Green Choice Products and Services [Billion Baht]	30	14	31	56	71		RT-CP-410a.2
Revenue from Sales of SCG Green Choice Products and Services (%)	34	16	34	45	48		

**Revenue from Sales of High Value Added Products and Services**



**Revenue from Sales of SCG Green Choice Products and Services**



EC1 Dividend to shareholders is the total dividend referred to the SCGP Annual Report. In 2019, dividend was paid in cash and ordinary shares.

EC2 The first 7 Organizations contributed by SCGP are

1. Global Compact Network Association of Thailand
2. Sustainable Packaging Coalition
3. The Thai Chamber of Commerce and Board of Trade of Thailand and related
4. The Federation of Thai Industries (F.T.I)
5. Technical Association of the Pulp and Paper Industry (TAPPI)
6. ASIAN CORRUGATED CASE ASSOCIATION (ACCA)
7. Thai Medical Device Technology Industry Association

EC3 SCGP remains political neutral, and does not give financial or any kind of supports to any political party, political group or candidates in local, regional or national levels or person with political influence or Lobbying or interest representation or similar and other categories (such e.g. spending related to ballot measures or referendums).

EC4 In 2019 was reported on the Investment in Research and Development including the investment in innovations.

EC5 The Environmental, Social and Governance (ESG) risk assessment for Suppliers began in 2018.

EC6 Consider geography based on seller data and trading currency.

## Subsidiaries Included in Sustainability Report 2022

Performance data of Environmental Management, Health and Safety Management

Business / Company	Country	Principal Business / Products	Total Direct / Indirect Holding (Percent)	Production	Environment									Society		Remark			
					Energy			Air Emission			Water			Health & Safety					
					Thermal	Electricity	Dust	SO <sub>x</sub>	NO <sub>x</sub>	GHG	Water withdrawal	Recycle Water	BOD	COD	TSS	Waste	Safety	Occupational Illness	
1 SCG Packaging Public Company Limited	Thailand	Office														✓	✓		
<b>Subsidiaries</b>																			
Thai Containers Group Co., Ltd. [Navanakorn]	Thailand	Fiber Packaging	70.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Thai Containers Group Co., Ltd. [Pathumthani]	Thailand	Fiber Packaging			✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	✓	
Thai Containers Group Co., Ltd. [Samutprakan]	Thailand	Fiber Packaging			✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	✓	
Thai Containers Group Co., Ltd. [Ratchaburi]	Thailand	Fiber Packaging			✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	✓	✓	
Thai Containers Group Co., Ltd. [Songkhla]	Thailand	Fiber Packaging			✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	✓	✓	
2 Thai Containers Group Co., Ltd. [Chonburi]	Thailand	Fiber Packaging			✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	NR	✓	✓	
Thai Containers Group Co., Ltd. [Prachinburi]	Thailand	Fiber Packaging			✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	✓	
Thai Containers Group Co., Ltd. [Saraburi]	Thailand	Fiber Packaging			✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	✓	
Thai Containers Group Co., Ltd. [Kamphaeng Phet]	Thailand	Fiber Packaging			✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	✓	
Thai Containers Group Co., Ltd. [Bang Sue]	Thailand	Office			✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	✓	✓	
3 Thai Containers Khonkaen Co., Ltd.	Thailand	Fiber Packaging	70.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	✓	
4 Thai Containers Rayong Co., Ltd.	Thailand	Fiber Packaging	70.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	
5 Tawana Container Co., Ltd.	Thailand	Fiber Packaging	50.40		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	
6 Orient Containers Co., Ltd.	Thailand	Fiber Packaging	70.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	✓	
7 Dyna Packs Co., Ltd. <sup>[1]</sup>	Thailand	Fiber Packaging	70.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	
8 D-In Pack Co., Ltd. <sup>[1]</sup>	Thailand	Fiber Packaging	70.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	
9 New Asia Industries Co., Ltd.	Vietnam	Fiber Packaging	70.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	
10 Alcamax Packaging (Vietnam) Co., Ltd.	Vietnam	Fiber Packaging	70.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	
11 Packamex (Vietnam) Co., Ltd.	Vietnam	Fiber Packaging	70.00		NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	
12 AP Packaging (Hanoi) Co., Ltd.	Vietnam	Fiber Packaging	70.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	ND	
13 PT Primacor Mandiri	Indonesia	Fiber Packaging	67.90		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	
14 PT Indoris Printingdo	Indonesia	Fiber Packaging	69.96		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	ND	
15 PT Indocorr Packaging Cikarang	Indonesia	Fiber Packaging	69.99		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	ND	
16 SCGP Solutions Co., Ltd. <sup>[2]</sup>	Thailand	Holding Company	100.00																
17 Precision Print Co., Ltd.	Thailand	Fiber Packaging	100.00		✓	✓	✓	✓	NR	NR	NR	✓	✓	NR	✓	✓	✓	✓	
18 TCG Solutions Pte. Ltd. <sup>[2]</sup>	Singapore	Holding Company	70.00																
19 Bien Hoa Packaging Joint Stock Company	Vietnam	Fiber Packaging	65.88															Have been M&P since 2021 and data will be disclosed through a sustainability report in 2024	
20 PT Indonesia Dirltajaya Aneka Industri Box	Indonesia	Fiber Packaging	52.50																
21 PT Bahana Buana Box	Indonesia	Fiber Packaging	52.50																
22 PT Rapipack Asritama	Indonesia	Fiber Packaging	52.50																
23 Siam Kraft Industry Co., Ltd. [Kanchanaburi]	Thailand	Packaging Paper	100.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
23 Siam Kraft Industry Co., Ltd [Ratchaburi]	Thailand	Packaging Paper			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
23 Siam Kraft Industry Co., Ltd [Bang Sue]	Thailand	Office																	
24 Vina Kraft Paper Co., Ltd.	Vietnam	Packaging Paper	70.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	ND	
25 Thai Cane Paper Public Company Limited [Kanchanaburi]	Thailand	Packaging Paper	98.20		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
25 Thai Cane Paper Public Company Limited [Prachin Buri]	Thailand	Packaging Paper			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
26 United Pulp and Paper Co., Inc.	Philippines	Packaging Paper	74.77		✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	ND	
27 SCGP Solutions [Singapore] Pte. Ltd. <sup>[2]</sup>	Singapore	Holding Company	100.00																
28 PT Fajar Surya Wisesa Tbk.	Indonesia	Packaging Paper	55.24		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	ND	
29 PT Dayasa Aria Prima	Indonesia	Packaging Paper	55.24															Have been M&P since 2020 and data will be disclosed through a sustainability report in 2023	
30 SCG Paper Energy Co., Ltd.	Thailand	Energy And Utilities	100.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
31 SCGP-T Plastics Co., Ltd. <sup>[2]</sup>	Thailand	Holding Company	51.00																
32 Conimex Co., Ltd.	Thailand	Rigid Packaging	38.25		✓	✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	✓	✓	
33 SCGP Rigid Plastics Co., Ltd. <sup>[2]</sup>	Thailand	Holding Company	100.00																
34 Vexcel Pack Co., Ltd. <sup>[3]</sup>	Thailand	Rigid Packaging	100.00		✓	✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	✓	✓	
35 TC Flexible Packaging Co., Ltd. <sup>[2]</sup>	Thailand	Holding Company	52.50																
35 Prepack Thailand Co., Ltd. [Samut Sakhon]	Thailand	Flexible Packaging	52.38		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	
36 Prepack Thailand Co., Ltd. [Samut Songkhram]	Thailand	Flexible Packaging			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	
36 Prepack Thailand Co., Ltd. [Rayong]	Thailand	Flexible Packaging			✓	✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	✓		
37 Tin Thanh Packing Joint Stock Company	Vietnam	Flexible Packaging	52.49		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	ND	
38 SCGP Rigid Packaging Solutions Pte. Ltd. <sup>[2]</sup>	Singapore	Holding Company	100.00																
39 Duy Tan Plastics Manufacturing Corporation Joint Stock Company	Vietnam	Rigid Packaging	70.00															Have been M&P since 2021 and data will be disclosed through a sustainability report in 2024	
40 Duy Tan Long An Company Limited	Vietnam	Rigid Packaging	70.00																
41 Duy Tan Precision Mold Company Limited	Vietnam	Rigid Packaging	70.00																
42 Duy Tan Binh Duong Plastics Company Limited	Vietnam	Rigid Packaging	70.00																
43 MATA Plastic Company Limited	Vietnam	Rigid Packaging	70.00																

Business / Company	Country	Principal Business / Products	Total Direct / Indirect Holding (Percent)	Production	Environment										Society		Remark	
					Energy		Air Emission			Water					Health & Safety			
					Thermal	Electricity	Dust	SO <sub>x</sub>	NO <sub>x</sub>	GHG	Water withdrawal	Recycle Water	BOD	COD	TSS	Waste	Safety	Occupational Illness
44 International Healthcare Packaging Co., Ltd. <sup>[1]</sup>	Thailand	Holding Company	100.00															
45 Deltalab Global, S.L. <sup>[2]</sup>	Spain	Holding Company	85.00															
46 Deltalab, S.L.	Spain	Medical Supplies and Labware	85.00															
47 Keylab, S.L.U.	Spain	Medical Supplies and Labware	85.00															
48 Nirco, S.L.	Spain	Medical Supplies and Labware	85.00															
49 Envases Farmaceuticos, S.A.	Spain	Medical Supplies and Labware	85.00															
50 Equilabo Scientific, S.L.U.	Spain	Medical Supplies and Labware	85.00															
51 Sanilabo, S.L.U.	Spain	Medical Supplies and Labware	85.00															
52 Phoenix Pulp & Paper Public Company Limited	Thailand	Foodservice Packaging/Pulp and Paper Products	69.58	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Thai Paper Co., Ltd. [Paper Production]	Thailand	Foodservice Packaging/Pulp and Paper Products		✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	✓	✓	✓
Thai Paper Co., Ltd. [Fest hub]	Thailand	Foodservice Packaging/Pulp and Paper Products		✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	✓	✓	✓
53 Thai Paper Co., Ltd. [Pulp Production-Banpong]	Thailand	Foodservice Packaging/Pulp and Paper Products	69.58	✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	✓	✓
Thai Paper Co., Ltd. [Pulp Production-Wangalsa]	Thailand	Foodservice Packaging/Pulp and Paper Products		✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	NR	✓	✓	✓
Thai Paper Co., Ltd. [Bang Sue]	Thailand	Office														✓	✓	
54 Go-Pak UK Limited	United Kingdom	Foodservice Packaging	100.00															
55 Go-Pak Vietnam Limited	Vietnam	Foodservice Packaging	100.00															
56 Go-Pak Paper Products Vietnam Company Limited	Vietnam	Foodservice Packaging	100.00															
57 Pheonix Utilities Co., Ltd. <sup>[3]</sup>	Thailand	Utilities	69.58	✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	NR	✓	✓
58 Interpress Printers Sendirian Berhad	Malaysia	Foodservice Packaging	68.30	✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	NR	✓	ND
59 The Siam Forestry Co., Ltd.	Thailand	Forestry Products	69.58	✓	✓	✓	NR	NR	NR	✓	NR	NR	NR	NR	NR	NR	✓	✓
60 Siam Panawes Co., Ltd.	Thailand	Forestry Products	69.58	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
61 Suanpa Rungsaris Co., Ltd.	Thailand	Forestry Products	69.58	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
62 Panas Nimit Co., Ltd.	Thailand	Forestry Products	69.58	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
63 Thai Panaboon Co., Ltd.	Thailand	Forestry Products	69.58	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
64 Thai Panaram Co., Ltd.	Thailand	Forestry Products	69.58	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
65 Thai Panadorn Co., Ltd.	Thailand	Forestry Products	69.58	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
66 Thai Panason Co., Ltd.	Thailand	Forestry Products	69.58	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
67 Thai Wanabhum Co., Ltd.	Thailand	Forestry Products	69.58	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
68 SCGP Excellence Training Center Co., Ltd.	Thailand	Training and seminar	100.00													✓	✓	
69 Invenique Co., Ltd. <sup>[2]</sup>	Thailand	Asset and Intellectual Property Management Service	100.00															
70 United Industrial Energy Corporation <sup>[4]</sup>	Philippines	Holding Company	74.77															
71 Peute Recycling B.V. <sup>[2]</sup>	Netherlands	Holding Company	100.00															
72 Peute Papierrecycling B.V.	Netherlands	Packaging Materials Recycling	100.00															
73 Peute Recycling International B.V. <sup>[2]</sup>	Netherlands	Holding Company	100.00															
74 Peute Plasticrecycling B.V.	Netherlands	Packaging Materials Recycling	100.00															
75 Peute Portugal, Unipessoal Lda	Portugal	Packaging Materials Recycling	100.00															
76 Peute Recycling Spain SL	Spain	Packaging Materials Recycling	100.00															
77 Peute UK Limited	United Kingdom	Packaging Materials Recycling	100.00															
78 SKIC International Co., Ltd. <sup>[2]</sup>	Thailand	Holding Company	100.00															
79 Jordan Trading International	USA	Packaging Materials Recycling	90.10															
<b>Associates and Other Subsidiaries</b>																		
1 Siam Toppan Packaging Co., Ltd.	Thailand	Fiber Packaging	49.00															
2 P&S Holdings Corporation <sup>[2]</sup>	Philippines	Holding Company	40.00															
3 Siam Nippon Industrial Paper Co., Ltd.	Thailand	Specialty Paper	31.31															
4 Sahagreen Forest Co., Ltd.	Thailand	Energy And Utilities	17.40															
5 ReUse SAS	France	Packaging Materials Recycling	45.00															
6 Packworks Co., Ltd	Thailand	Foodservice Packaging	28.48															

NR = Non-Relevance Information (businesses are in operation but their data is irrelevant or significant)

ND = Not disclose this year

Office/Investment/Sales/Service where the collection of data is not necessary and non-production companies

Greenfield (less than 4 years) or newly acquired companies (less than 4 years) are not required to incorporate environmental, safety and occupational illness data into SCGP

<sup>[1]</sup> Dyna Packs Co., Ltd. and D-In Pack Co., Ltd. transferred the entire business to ORIENT on November 1, 2020 and registered the dissolution of the company with the Department of Business Development, Ministry of Commerce on December 22, 2020. It is currently in the process of liquidation.

<sup>[2]</sup> Companies that operate the main businesses

<sup>[3]</sup> Pheonix Utilities Co., Ltd. transferred the entire business to Phoenix Pulp & Paper Public Company Limited on October 1, 2021 and registered the dissolution of the company with the Department of Business Development, Ministry of Commerce on December 20, 2021. It is currently in the process of liquidation.

<sup>[4]</sup> United Industrial Energy Corporation registered the termination of its business on April 24, 1997.

<sup>[5]</sup> Visy Packaging [Thailand] Limited changed its name to Vexcel Pack Co., Ltd.

- At the Board of Directors' meeting held on February 13, 2018, approval was given for TCGS to cease operations from mid-2018 and liquidation was completed on January 25, 2022.

- The Data reporting of SCG Packaging Public Company Limited includes the Headquarters office and organizations under SCGP.

# Assurance Statement



## ASSURANCE STATEMENT

### SGS (THAILAND) LIMITED'S REPORT ON SUSTAINABILITY ACTIVITIES IN SCG PACKAGING PUBLIC COMPANY LIMITED'S FOR 2022

#### NATURE OF THE ASSURANCE/VERIFICATION

SGS (THAILAND) LTD. (hereinafter referred to as SGS) was commissioned by SCG Pakaging Public Company Limited (hereinafter referred to as SCGP) to conduct an independent assurance of the SCGP Sustainability Report 2022 (hereinafter referred to as the Report) for the year ended December 31, 2022 in accordance with the reporting criteria.

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all SCGP's Stakeholders.

#### RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the directors or governing body (as applicable) and the management of SCGP. SGS has not been involved in the preparation of any of the material included in the Report. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all SCGP's stakeholders.

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards. Assurance has been conducted at a limited level of level of scrutiny.

The assurance of this report has been conducted according to the following Assurance Standards:

- ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information
- ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

#### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- GRI Standards 2021 (with Reference to)
- WBCSD/WRI Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard
- Sustainability Accounting Standards Board (SASB)

#### SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

SCGP's Sustainability Report are adequately in line with the Sustainability Reporting Standard and fulfills all the required content and quality criteria for the identified aspects listed as below;

- a) Environmental dimension performance indicators expressed numerically or in descriptive text
  - o Energy consumption (petajoules)
  - o Greenhouse gas emissions scope 1 & 2 (million tons)
  - o Water withdrawal (million cubic meters) and recycled water (million cubic meters)
  - o Water discharge (million cubic meters)
  - o Water discharge by quality (BOD, COD and TSS (Ton))
  - o Total weight of waste by type and disposal method (thousand tons)
  - o Oxides of Nitrogen (NOx), Oxides of Sulfur (SOx), dust and other significant air emissions data
- b) Social dimension performance indicators or in descriptive text
  - o Number and rate of fatality work-related Injury, high-consequence work-related Injury, lost time injury, recordable work-related Injury and number of hours worked
  - o Number of fatality work-related occupational illness & disease and occupational illness & disease frequency rate
  - o Ratio of the basic salary and remuneration of women to men and gender pay gap

## **ASSURANCE METHODOLOGY**

SGS's assurance engagements are carried out in accordance with assurance procedure.

The assurance comprised a combination of

- SCGP's Management interviews, including the Sustainable Development team with responsibility for performance in the areas within scope
- Interview with data owners &/or managers responsible for internal data collection and reporting databases
- Document review of relevant systems, policies, and procedures where available
- Understanding, analysing and sample testing the key data collection, aggregation, validation and reporting systems, processes, procedures, and controls
- Sampling evidence to confirm the reliability of the selected reporting standards, selected 2 sites for onsite visit as below:
  - Siam Kraft Industry Co., Ltd. (Ratchaburi)
  - PT FAJAR SURYA WISESA Tbk.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## **LIMITATIONS AND MITIGATION**

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Note here any other specific limitations for the assurance engagement and actions taken to mitigate those limitation. Some statements and data within the scope were not assured due to lack of accessible records during the timescale allowed for assurance, and these are clearly marked throughout the Report

## **STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from SCGP, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 14064-1, ISO 14067, ISO 26000, WFP, SA 8000 and experience on the SRA Assurance service provisions

## **ASSURANCE/VERIFICATION OPINION**

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organisation has chosen an appropriate level of assurance for the selected indicators for the year ended December 31, 2022 included in their reporting.

**Signed:**

For and on behalf of SGS (Thailand) Limited



Montree Tangtermsirikul

General Manager

100 Nanglinchee Road Chongnonsee Yannawa, Bangkok 10120 Thailand

21 February 2023

**WWW.SGS.COM**

# GRI Content Index

<b>Statement of use</b>	SCG Packaging Public Company Limited has reported the information cited in this GRI content index for 1 <sup>st</sup> January 2022 - 31 <sup>st</sup> December 2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	EXTERNAL ASSURANCE
GRI 2: General Disclosures 2021	2-1 Organizational details	SR 9, OR inside front cover	
	2-2 Entities included in the organization's sustainability reporting	SR 92-93, OR 248-252	
	2-3 Reporting period, frequency and contact point	SR 76-77	
	2-4 Restatements of information	SR 76-77	
	2-5 External assurance	SR 94-95, SCGP website: ESG homepage	
	2-6 Activities, value chain and other business relationships	SR 8-10, OR inside front cover, 49	
	2-7 Employees	SR 87, SCGP website: ESG homepage	
	2-8 Workers who are not employees	SCGP website: ESG homepage	
	2-9 Governance structure and composition	OR 141-143	
	2-10 Nomination and selection of the highest governance body	OR 115-117	
	2-11 Chair of the highest governance body	OR 142	
	2-12 Role of the highest governance body in overseeing the management of impacts	SCGP website: ESG homepage	
	2-13 Delegation of responsibility for managing impacts	SCGP website: ESG homepage	
	2-14 Role of the highest governance body in sustainability reporting	SCGP website: ESG homepage	
	2-15 Conflicts of interest	OR 10-12	
	2-16 Communication of critical concerns	OR 10-17, SCGP website: ESG homepage	
	2-17 Collective knowledge of the highest governance body	OR 192-195	
	2-18 Evaluation of the performance of the highest governance body	OR 195	
	2-19 Remuneration policies	OR 15, SCGP website: ESG homepage	
	2-20 Process to determine remuneration	OR 15, SCGP website: ESG homepage	
	2-22 Statement on sustainable development strategy	SR 4-5, 16, OR 8-9	
	2-23 Policy commitments	SR 8, 16-17, OR 121-124, SCGP website: ESG homepage	
	2-24 Embedding policy commitments	SR 16-17, 26-27, 32-73, OR 88-89, SCGP website: ESG homepage	
	2-25 Processes to remediate negative impacts	SR 56-57, 63, SCGP website: ESG homepage	
	2-26 Mechanisms for seeking advice and raising concerns	SR 56-57, 63, SCGP website: ESG homepage	
	2-27 Compliance with laws and regulations	SR 63, 82	
	2-28 Membership associations	SR 28-29	
	2-29 Approach to stakeholder engagement	SR 20-22, 24-25, SCGP website: ESG homepage	
	2-30 Collective bargaining agreements	SR 88	

# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	EXTERNAL ASSURANCE
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR 20-25, SCGP website: ESG homepage	
	3-2 List of material topics	SR 23-25, SCGP website: ESG homepage	
	3-3 Management of material topics	SR 24-27, SCGP website: ESG homepage	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SR 91	
	201-2 Financial implications and other risks and opportunities due to climate change	SCGP website: ESG homepage	
	201-3 Defined benefit plan obligations and other retirement plans	OR 181, 392-393 SCGP website: ESG homepage	
	201-4 Financial assistance received from government	SR 91	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	SCGP website: ESG homepage	
	202-2 Proportion of senior management hired from the local community	SR 87	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	SCGP website: ESG homepage	
	203-2 Significant indirect economic impacts	SR 60-61	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	SR 81	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SCGP website: ESG homepage	
	205-2 Communication and training about anti-corruption policies and procedures	SR 63	
	205-3 Confirmed incidents of corruption and actions taken	SR 63	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SCGP website: ESG homepage	
GRI 207: Tax 2019	207-1 Approach to tax	SCGP website: ESG homepage	
	207-2 Tax governance, control, and risk management	SCGP website: ESG homepage	
	207-3 Stakeholder engagement and management of concerns related to tax	SCGP website: ESG homepage	
	207-4 Country-by-country reporting	SCGP website: ESG homepage	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	SR 78	
	301-2 Recycled input materials used	SR 78	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR 79	Yes
	302-2 Energy consumption outside of the organization	SR 79	
	302-3 Energy intensity	SR 79	
	302-4 Reduction of energy consumption	SR 13, 34, 79	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	SR 48-49	
	303-2 Management of water discharge-related impacts	SR 48-49	
	303-3 Water withdrawal	SR 48, 80	Yes
	303-4 Water discharge	SR 49, 81	Yes
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR 46-47	
	304-2 Significant impacts of activities, products and services on biodiversity	SR 46-47	
	304-3 Habitats protected or restored	SR 46-47	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	SR 47	

# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	EXTERNAL ASSURANCE
<b>GRI 305: Emissions 2016</b>	305-1 Direct [Scope 1] GHG emissions	SR 78-79	Yes
	305-2 Energy indirect [Scope 2] GHG emissions	SR 78-79	Yes
	305-3 Other indirect [Scope 3] GHG emissions	SCGP website: ESG homepage	
	305-4 GHG emissions intensity	SR 78	
	305-5 Reduction of GHG emissions	SR 13, 34, 78	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	SR 52-53, 82	Yes
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	SR 50-51, SCGP website: ESG homepage	
	306-2 Management of significant waste-related impacts	SR 50-51, SCGP website: ESG homepage	
	306-3 Waste generated	SR 82	Yes
	306-4 Waste diverted from disposal	SR 82-83	Yes
	306-5 Waste directed to disposal	SR 82-83	Yes
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	SR 68	
	308-2 Negative environmental impacts in the supply chain and actions taken	SR 68	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	SR 88	
	401-3 Parental leave	SR 89	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	SR 54-55	
	403-2 Hazard identification, risk assessment, and incident investigation	SR 54-55	
	403-3 Occupational health services	SR 55	
	403-4 Worker participation, consultation, and communication on occupational health and safety	SCGP website: ESG homepage	
	403-5 Worker training on occupational health and safety	SCGP website: ESG homepage	
	403-6 Promotion of worker health	SR 54-55	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 54-55	
	403-8 Workers covered by an occupational health and safety management system	SR 54-55, 77	
	403-9 Work-related injuries	SR 86-87	Yes
	403-10 Work-related ill health	SR 87	Yes
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	SR 89	
	404-2 Programs for upgrading employee skills and transition assistance programs	SR 58-59	
	404-3 Percentage of employees receiving regular performance and career development reviews	SR 58	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	SR 87, 89, OR 142-143	
	405-2 Ratio of basic salary and remuneration of women to men	SR 87-88	Yes
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	SR 63, SCGP website: ESG homepage	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SCGP website: ESG homepage	

# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	EXTERNAL ASSURANCE
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	SCGP website: ESG homepage	
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	SCGP website: ESG homepage	
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	SCGP website: ESG homepage	
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	SCGP website: ESG homepage	
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	SCGP website: ESG homepage	
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	SR 68, 91	
	414-2 Negative social impacts in the supply chain and actions taken	SCGP website: ESG homepage	
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	SR 91, SCGP website: ESG homepage	
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	SR 70, SCGP website: ESG homepage	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	SR 70, SCGP website: ESG homepage	
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	SCGP website: ESG homepage	
	417-2 Incidents of non-compliance concerning product and service information and labeling	SR 70	
	417-3 Incidents of non-compliance concerning marketing communications	SR 70	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR 73	

# Sustainability Accounting Standards Board Response (SASB)

SASB Content Index					
Topic	Disclosure Code	Disclosure Title	Page	Disclosure or Additional Explanation	Unit
Greenhouse Gas Emissions	RT-CP-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	78-79		Metric tons (tCO <sub>2</sub> e) Percentage (%)
	RT-CP-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	32-35, 78-79		N/A
Air Quality	RT-CP-120a.1	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	52-53, 82		Metric tons (t)
Energy Management	RT-CP-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	79		Gigajoules (GJ) Percentage (%)
Water Management	RT-CP-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	48-49, 80-81		Thousand cubic meters (m <sup>3</sup> ) Percentage (%)
	RT-CP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	48-49		Number
	RT-CP-140a.3	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	48	0 Case	Number
Waste Management	RT-CP-150a.1	Amount of hazardous waste generated, percentage recycled	82-83		Metric tons (t)
Product Safety	RT-CP-250a.1	Number of recalls issued, total units recalled	70-71	0 Case	Number
	RT-CP-250a.2	Discussion of process to identify and manage emerging materials and chemicals of concern	70-71		N/A

# Sustainability Accounting Standards Board Response (SASB)

SASB Content Index					
Topic	Disclosure Code	Disclosure Title	Page	Disclosure or Additional Explanation	Unit
Product Lifecycle Management	RT-CP-410a.1	Percentage of raw materials from: [1] recycled content, [2] renewable resources, and [3] renewable and recycled content	78	[3] 99.5%	Percentage (%) by weigh
	RT-CP-410a.2	Revenue from products that are reusable, recyclable, and/or compostable	91	70,812 Million baht {SCG Green Choice and ECO Product}	Reporting Currency
	RT-CP-410a.3	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	40-43, 71		N/A
Supply Chain Management	RT-CP-430a.1	Total wood fiber procured, percentage from certified sources	46	2.46 Million tons 100% of FSC™-CW/COC : FSC-C133879	Metric tons (t) Percentage (%)
	RT-CP-430a.2	Total aluminum purchased, percentage from certified sources		Not Applicable	Metric tons (t) Percentage (%)
Activity Metric	RT-CP-000.A	Amount of production, by substrate	78		Metric tons (t) Percentage (%)
	RT-CP-000.B	Percentage of production as: [1] paper/wood, [2] glass, [3] metal, and [4] plastic		Annual Report 2021 P.40 [1] 84.5%, [4] 12.4%	Percentage (%) by revenue
	RT-CP-000.C	Number of employees	87		Number

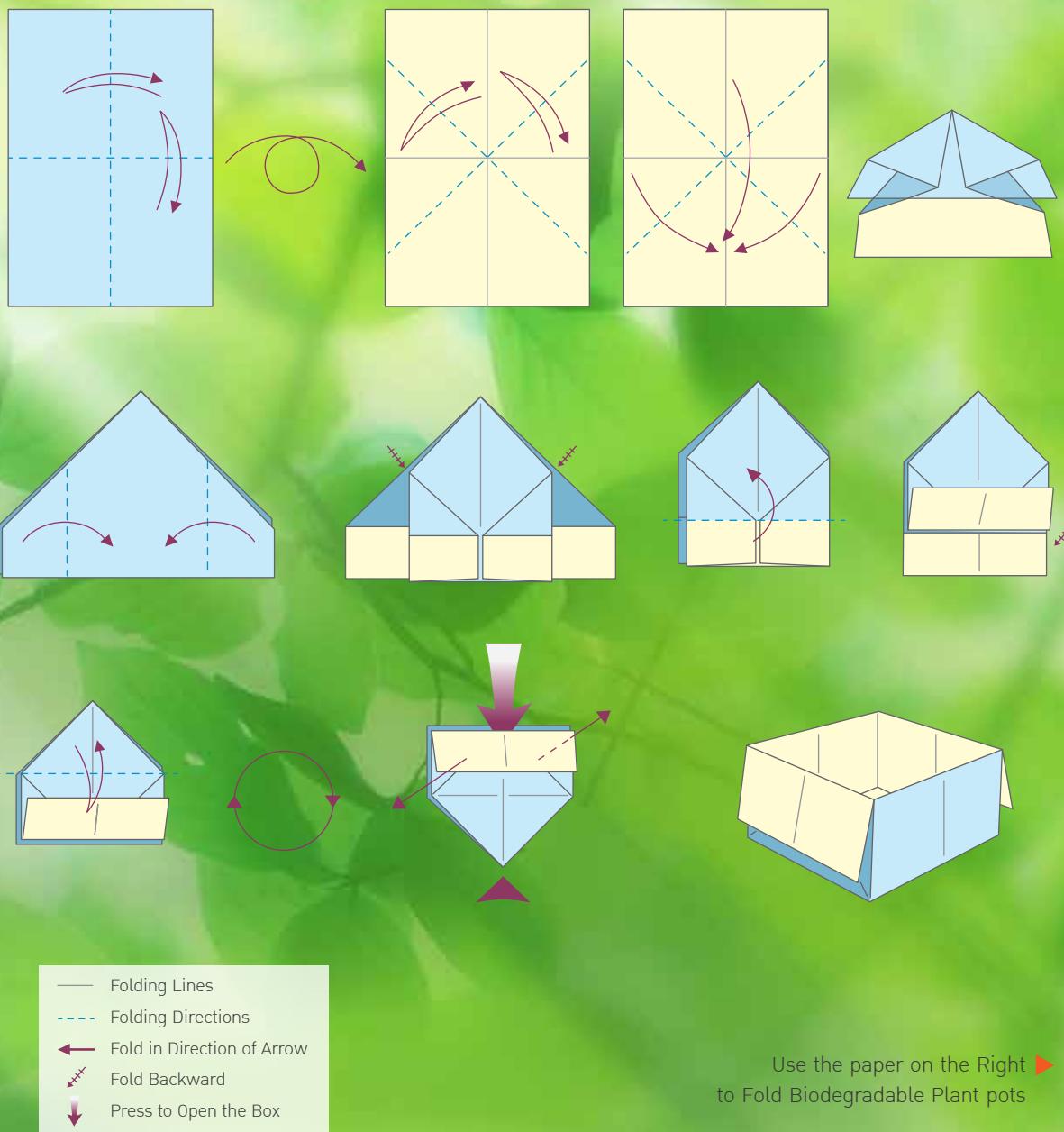
## Plant Trees with SCGP

Because every tree is crucial, not only do they produce oxygen for every living being on Earth to breath, they also absorb carbon dioxide in the atmosphere, which is cause of global warming. This help maintain a stable climate and slows down climate change.

SCGP invites readers to participate in the "Plant a Seedling" project by using recycled paper to make biodegradable plant pots and planting seedlings in them. This can be done easily with just four simple steps:

1. Cut the paper with scissors along the spine.
2. Fold the paper according to the recommended pattern, step by step, until you get a biodegradable plant pot as shown in the picture.
3. Fill the pot with soil and plant the seedling, and water regularly and provide proper sunlight.
4. When the seedling grows strong, plant it in the ground along with the biodegradable pot, which will decompose naturally over time.

Alternatively, decorate the plant pot and use it as a beautiful decoration in your home.



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The mark of  
responsible forestry

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