



**SUSTAINABLE  
GROWTH  
WITH MEGATRENDS  
TO EVOLVE  
THE WAY OF LIFE**





## 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 for packaging solutions provider which are organized into two main operating segments: integrated packaging business and fibrous business, and also other relating businesses.
<b>Initial Registered Capital</b>	Registered Capital: 4,500,000,000 Baht Paid-up Capital: 4,292,920,200 Baht Issued and paid up ordinary shares of: 4,292,920,200 shares Issued and paid up preference shares: - None - Par value of 10 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
<b>Address</b>	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\*

1. Corporate Governance Policy and Guidelines and Code of Conduct (Full Version)

2. Environment and Climate Policy

3. Sustainability Report 2021

*\*Other related information has been posted on SCGP's website. (<https://investor.scgpackaging.com/en/downloads/yearly-reports>)*



*If the Form 56-1 One Report refer 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

	2021	2020	2019	2018	2017
<b>Consolidated income statement<sup>1</sup></b>					
Revenue	126,755	93,389	90,034	87,770	82,862
Costs and expenses	115,100	85,148	83,147	79,661	76,888
EBITDA <sup>2</sup>	21,150	16,876	15,147	14,566	12,082
Profit for the year <sup>3</sup>	8,294	6,457	5,269	6,066	4,425
<b>Consolidated statement of financial position</b>					
Assets	206,824	172,429	139,513	93,246	91,312
Liabilities	84,524	62,588	76,697	39,986	35,661
Total equity attributable to owners of the parent	96,837	88,738	42,952	40,441	42,891
Total shareholders' equity	122,300	109,841	62,816	53,260	55,651
<b>Share information</b>					
Total number of shares issued <sup>4</sup> (Million Shares)	4,293	4,293	3,126	3,126	3,126
Book value per share <sup>4</sup> (Baht)	22.56	20.67	13.74	12.94	13.72
Basic earnings per share <sup>4</sup> (Baht)	1.93	1.95	1.69	1.94	1.42
Dividends per share <sup>4,5</sup> (Baht)	0.65	0.45	0.98	0.50	2.50
<b>Financial ratio</b>					
Dividends payout ratio (%)	33.6	29.9	57.9	25.8	176.6
Net profit margin <sup>6</sup> (%)	6.7	7.0	5.9	7.0	5.4
Return on assets (%)	5.1	4.7	5.1	7.4	6.1
Return on equity attributable to owners of the parent (%)	8.9	9.8	12.6	14.6	10.6

**Remark:**

<sup>1</sup> The figures for year 2019 are reclassified

<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 parent

<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 issued stock dividend of ordinary share. The number of ordinary shares used in the financial ratio calculation during year 2017 - 2018 are adjusted as if such change had occurred at the beginning of the earliest reporting period.

<sup>5</sup> Dividends per share 0.98 Baht is calculated from  
 1) Interim dividend 1.11111111 Baht per share from ordinary 1,563 million shares  
 2) Annual dividend 0.42 Baht per share from ordinary 3,126 million shares

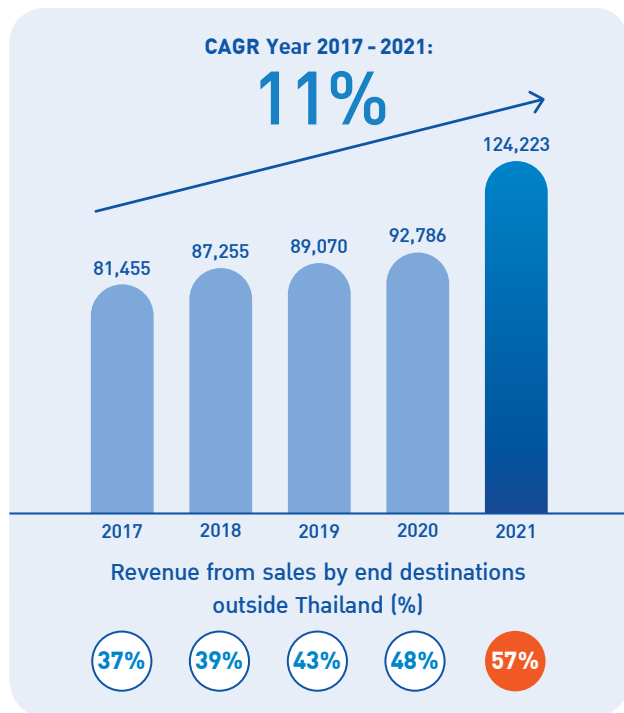
<sup>6</sup> Net profit margin = Profit for the year attributable to owners of the parent divided by Revenue from sales

# Financial overview

SCG Packaging Public Company Limited and its Subsidiaries

Unit : Baht million

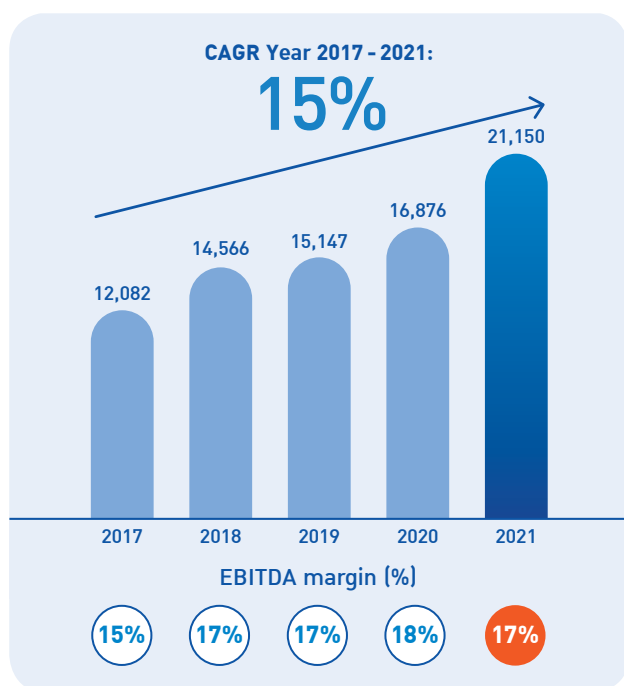
## Revenue from Sales



## Total Assets



## EBITDA



## Profit for the year\*



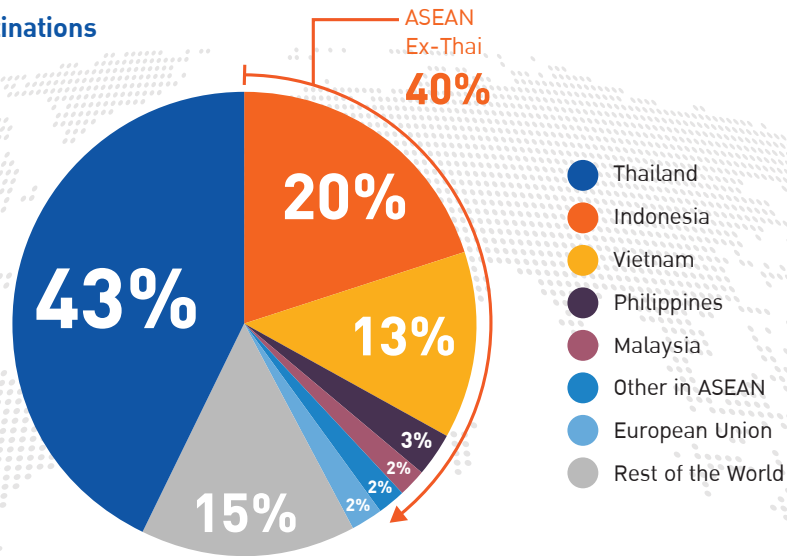
\* Attributable to owners of the parent

# Financial Overview 2021

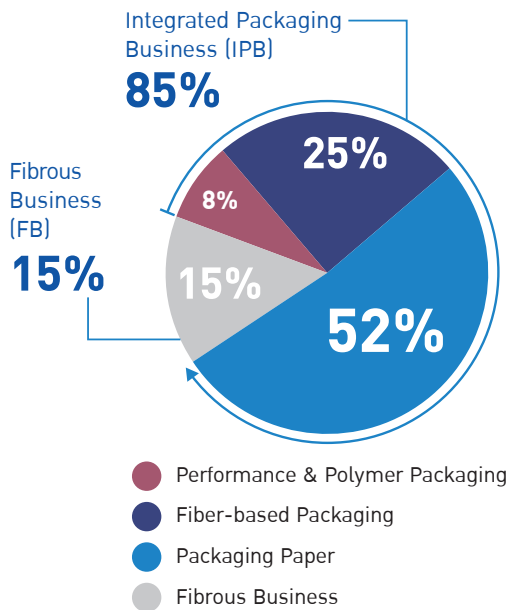
SCG Packaging Public Company Limited and its Subsidiaries

## Consolidated sales by end destinations

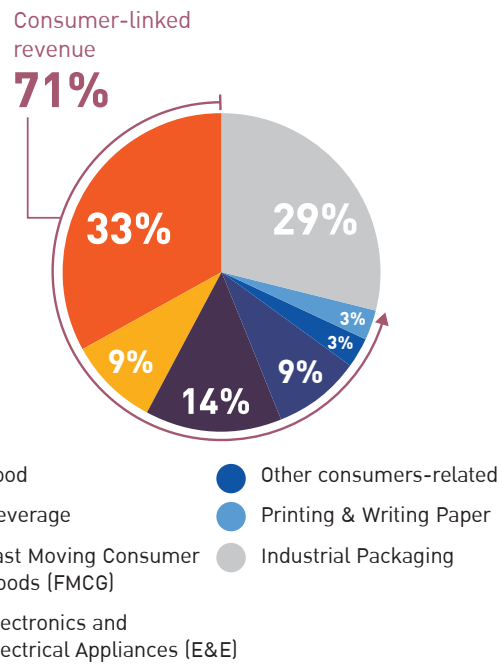
Baht million  
**124,223**



## Consolidated sales by business units



## Consolidated sales by consumer segments



Revenue from Sales  
Baht million  
**124,223**



Total Assets  
Baht million  
**206,824**



EBITDA  
Baht million  
**21,150**



Profit for the year  
Attributable to owners of the parent  
Baht million  
**8,294**

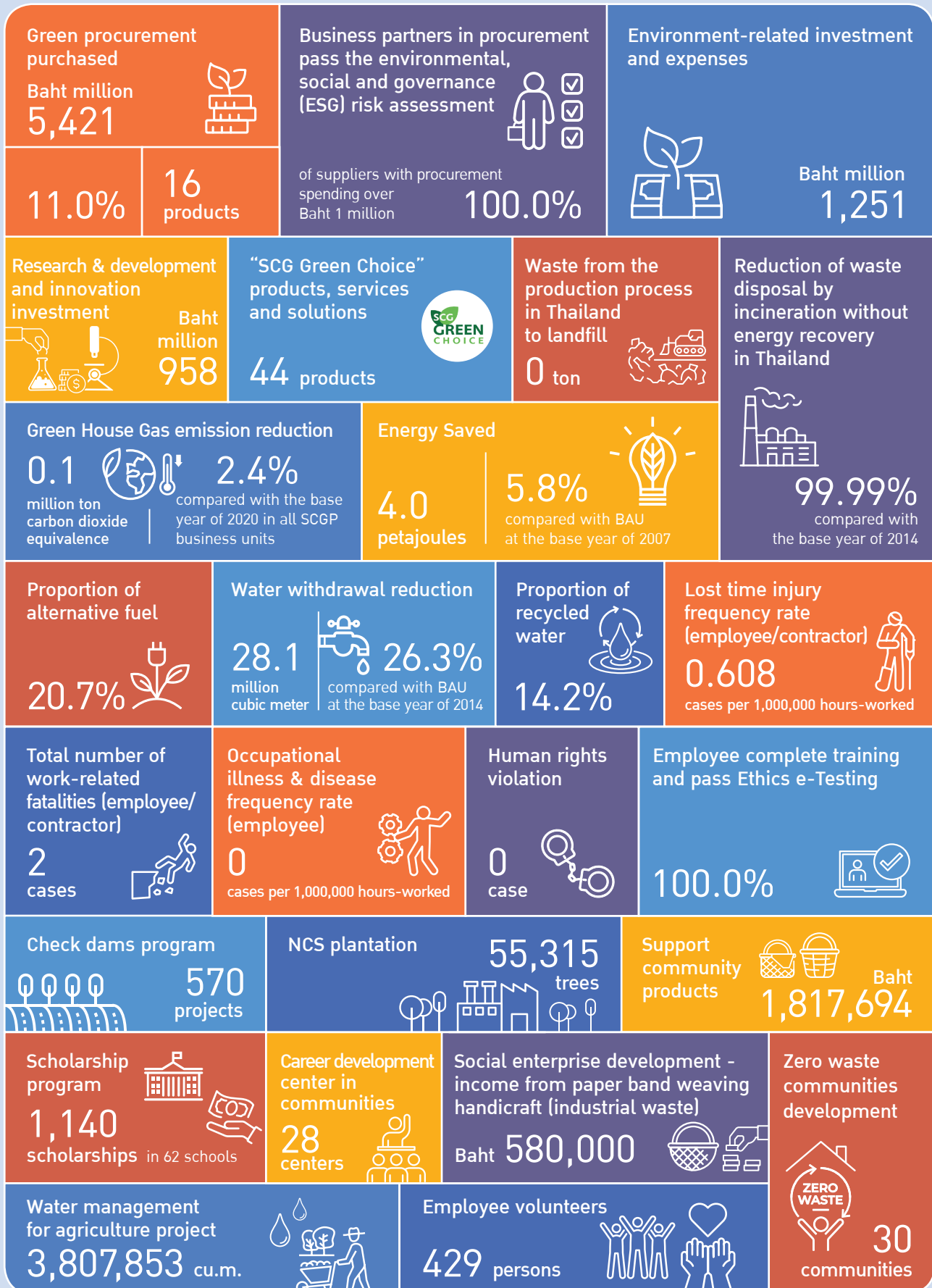




SCGP's strategy is to become a leader in the integrated packaging solutions business in the region.



# Sustainability Performance Highlight 2021





# **SUSTAINABLE GROWTH WITH MEGATRENDS TO EVOLVE THE WAY OF LIFE**



# Message from the Board of Directors

SCG Packaging Public Company Limited



## “Sustainable Growth through Innovative Packaging Solutions to Evolve the Way of Life”

In 2021, the ASEAN and world economies continued to be sluggish due to COVID-19, which impacted how people lived. However, the COVID-19 situation in ASEAN started to rebound, resulting in the demand for consumer goods enjoyed growth as they were necessary items in consumers' daily lives. Moreover, the global economy saw a sign of recovery, spurring the demands for goods and services. In addition, the production efficacy of industrial sectors improved throughout the supply chain. These factors supported the demand for packaging. Still, concerns such as increasing prices of energy and raw materials and a range of new COVID-19 variants remain serious as they could derail the world's economy.

Amidst these challenges, SCGP managed to follow the strategies to achieve a long-term growth and become a leader in the integrated packaging solutions business in the region. The Company was also entirely conducted in line with the plan to tackle economic volatility, while the organic expansion and the merger and partnership (M&P) led to an improved production capability and enabled the penetration to international emerging markets, allowing expansion of SCGP's customer bases and redefinition of business scope. In 2021, SCGP acquired a stake in Go-Pak UK Limited,

a foodservice packaging solutions business in the UK; Duy Tan Plastics Manufacturing Corporation Joint Stock Company, a leading rigid plastic packaging business in Vietnam; and Intan Group, a corrugated containers business in Indonesia. SCGP also entered the healthcare and medical supply market by investing in Deltalab, S.L. in Spain.

As packaging is an essential part of the customer's supply chain, SCGP aimed to satisfy customer demand and become part of consumers' daily lives by developing integrated packaging solutions. Innovation, which comes from employees' expertise and cooperation with customers, drives the advancement of solutions, products, and services that will meet the megatrends of the present and future. This is especially true in E-commerce and foodservice businesses today, where high growth is observed.

SCGP also aimed to continuously adjust and improve production and operations using technology, including automation, digitization and AI systems, to help analyze, project, and enhance capability and productivity. The goal was to satisfy customer needs, improve competitiveness and performance efficiency, and manage liquidity in accordance with the business status.

In addition, SCGP emphasized sustainable conduct and development of the business as per the ESG aspects. The Corporate Governance Policy has intensely been enforced in all business units and countries where SCGP operates. The focus was on transparency, accountability, engagement, and communication with all stakeholders. SCGP contributed to society and the environment through essential activities and projects, including a long-term goal in achieving Net Zero by 2050. For this reason, in 2021, SCGP was awarded the Rising Star Sustainability Awards in the Sustainability Excellence category, as a sustainable development operations business; and the Best Deal of the Year Awards in the Business Excellence category, for the excellent and outstanding performance of the IPO offering by the Stock Exchange of Thailand. These meaningful distinctions reflected our pride, determination and hard-working nature in revamping the standards and turbocharging the sustainable growth of Thailand's economy and society in the long run.

SCGP has been growing steadily amidst challenging situations and recorded sales revenue of Baht 124,223 million, an increase of 34% year-on-year. As a result, SCGP made profit for the year of Baht 8,294 million, an increase of 28% compared to



last year. Therefore, the Board of Directors has resolved to propose that the 2022 Annual General Meeting of Shareholders approve the 2021 dividend worth Baht 0.65 per share, Baht 2,790 million in total, or 33.64 percent 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 the final year-end dividend is equal to Baht 0.40 per share.

In 2022, SCGP plans to maintain the leading position as an integrated packaging solutions business by building sustainable growth, cooperating with partners in strategic areas in the ASEAN region, and

penetrating emerging markets in other regions. SCGP plans to utilize a downstream packaging expansion and grow customer bases in numerous industries, especially those related to consumer lifestyles, such as food and beverage, hygiene care products, healthcare and medical products, etc. These industries have potential growth as part of the essentials in a consumer's daily life. SCGP conducted business with a customer-centric mindset to develop innovative packaging solutions that satisfy the growing demands and evolving consumer behavior. The Company also improved the internal management capability to support business growth while proactively mitigating potential risks that may arise.

The Board of Directors would like to express our gratitude to shareholders, debenture holders, business partners, suppliers, customers, domestic and international financial institutes, and other relevant parties for all the warm support; and all employees who remarkably dedicate themselves to accomplishing the Company's missions and earning the investors' trust. Furthermore, SCGP would like to assure that the Company will continuously improve its business to meet international standards, support customers, and enhance the consumers' daily experience while emphasizing ESG as the core of business operations for a better society with quality citizens and a sustainable world.

**Bangkok, January 25, 2022**

**(Mr. Prasarn Trairatvorakul)**  
Chairman

**(Mr. Wichan Jitpukdee)**  
Chief Executive Officer

# Audit Committee's Report

## SCG Packaging Public Company Limited

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 Audit Committee Charter, which annually is reviewed in accordance with the current situation and approved by the Board of Directors. In 2021, the Audit Committee oversaw and inspected operations in all dimensions as per all the scope of duties as prescribed in the Audit Committee Charter. To conclude, the operation achieved an adequate level of efficiency and effectiveness. Moreover, the Audit Committee emphasized on the application of digital technology in auditing, supervision, strategy formulation, performance and monitoring the results.

In 2021, the Audit Committee convened a total of five meetings accounted for 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 meeting, 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 be appropriate and sufficient for the duties and responsibilities of the Audit Office. The Committee's key activities could be summarized as follows:

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

The Audit Committee reviewed material information in the quarterly and 2021 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 includes asking the Chief Financial Officer and the Accounting Director regarding the use of judgment in preparing the financial statements, and obtained 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 so as to freely

discuss the acquisition and 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 financial statements, key audit matters, 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 2021, 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 connected transactions and other transactions that may lead to conflict of interest. The results suggested that SCGP's transactions are in line with the policies of connected transaction 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 with adherence to Sustainable Development and Corporate Governance principles with reference to international standards including the Organization for Economic

Co-operation and Development (OECD), Thailand Securities and Exchange Commission (SEC), The Stock Exchange of Thailand (SET), and Thai Institute of Directors Association (IOD). In 2021, the SCG Packaging's Code of Conduct was reviewed and edited to be clear, comprehensive and consistent with respective policies, national and international good corporate governance and today's business operation. The Audit Committee considered the policies and corporate governance policies and reviewed their efficiency and effectiveness then concluded that the Directors, the Management, and all employees had strictly complied with the policy, by having the Board of Directors and the Management as the role models. With the marks of 100%, all employees who took the test passed the Ethics e-testing implemented for the seventh consecutive year. The Company places an emphasis on the anti-corruption action by a declaration of intention joining Thai Private Sector Collective Action Against Corruption (CAC) in 2020. The Company's Certified Company award registration is also underway. Similarly, the concept covers vendors by using the SCG Packaging's Supplier Code of Conduct as a business guideline, with a goal to encourage its suppliers to be good citizens in parallel with the integrating social and environmental commitments into corporate governance beyond legal and regulatory requirements.

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

The Audit Committee reviewed the efficiency and effectiveness of the risk management process and assigned 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 risk management process, and perform risk profile review and company wide risk management follow-up. The Planning and Risk Management Office is responsible for compiling risks and risk management reports in the form of 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 emission, environmental and pollution risks, a shift towards circular economy, security risks of information technology systems and conformity with personal data protection laws. The Company has put in place the SCGP Privacy Policy as the framework for personal data management and prepared

lots of 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 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 to 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 timely. The Company initiated the development of Business License Management System. In this, the IT system acts as a tool to store information, follow up compliance to the law and periodically report the results to the Risk Management Committee.

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

The Audit Committee assessed and reviewed the internal control system for both operational and information technology systems that reported by the Internal Audit Office in line as a part of the duties under the Charter of Internal Audit Office, and the results of 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 emphasizes on raising awareness to continuously promote morality, ethics, code of conduct, and anti-corruption to its employees by developing a preventive system (Proactive and Preventive System), consisting of Ethics e-Testing and e-Policy e-Testing, risk management and good control practices in accordance with the "Three Lines Model", as well as on communicating case studies related to fraud and non-compliance with laws, the Company's regulations, policies, and code of conduct to employees. Workshops were also offered to different business units to raise a better understanding of risks, impacts and key internal controls of each operating procedure among person in charge at all levels. So, they can 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 Audit Committee Charter and the Internal Audit Office Charter. In 2021, the Internal Audit Office scrutinized, both operational and information technology systems for 66 projects in total. The findings concluded that there were no material issue concerns. The Internal Audit Office reviewed and adjusted auditing strategies in response to COVID-19 pandemic and risks in the New Normal era by using Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), to analyze risk with more efficiency, lessening time and number of necessary fieldworks. Awareness was raised in respect of governance, risk management, operational supervision and internal control on cyber security. A data science online seminar and workshops were conducted to enable auditors to write preliminary programs. The third-year Hackathon was held to allow auditors to propose projects under the digital technology-inspired audit. The Company

continually conducted researches and promoted the Three Lines Model, in which the High-Level First Line were expected to take key roles and serve as role models for employees, and to communicate and provide guidance to their subordinates for collaborative risk assessment, internal control identification, and performance monitoring for SCGP's current work system, new systems, new businesses, or new information technology systems. Furthermore, the Internal Audit Office also trained the auditors to assess the effectiveness and efficiency of governance, risk management, compliance with laws and regulations, internal controls of SCGP's domestic and overseas subsidiaries. Preparation and improvement of internal control documents were put in place to mingle with changing operations posed by technological advancement. Operational and information technology workshops were intended to disseminate international standards, risks, internal control and assessment results.

#### **8. Review of Complaints and Whistleblowing Investigation:**

SCGP has established the system for complaints filing and clues reporting for employees and external parties, through which they could file both Thai and English complaints around the clock. External parties can make complaints through [www.scgpackaging.com](http://www.scgpackaging.com). In addition,

the existing channels of making report encompass a phone call, an e-mail and a physical letter to the Independent Committee, the Audit Committee, the Internal Audit Office, and the Corporate Secretary Office. In 2021, a total of 8 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. In which, 7 cases were completed investigations (1 case is under investigation), divided into 4 cases that did not comply with complaints or unclear evidence, 1 case was non-compliance of Code of Conduct and 2 cases were inappropriate management. None was related to non-compliance with the Anti-corruption Policy, antitrust Policy, Human Right Policy, and internal data use. The damages were non-materiality. Finding from the investigations were taken into consideration for determination of future procedure and preventive

guideline. In addition, the Audit Committee reviewed conclusions, penalties, preventive measures of feasible corruption activities across systems, corruption inspection, risk assessment, and appropriateness in continual operation.

#### **9. Appointment of the External Auditors and Review of the Audit Fees for 2022:**

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. It must be annually reviewed and proposed to the shareholders' meeting to ensure independency, potential, performance, service offers, auditing methods and conformity with the guidelines of key audit partner rotation as stated in the notification of the Securities and Exchange Commission. Based on the past year's qualifications as independent auditors, professional knowledge and expertise, including experience in auditing and 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 an approval at the Shareholders' Meeting for the appointment of Mr. Wairoj 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 of KPMG Phoomchai Audit Ltd. as the Company's auditors for the year 2022. Furthermore, this meeting includes approval of the budget for the 2022 financial statement auditing and the quarterly financial review of separate and consolidated financial statements worth Baht 2.675 million, and acknowledge of subsidiaries auditing fees which responsible by KPMG branches in Thailand and other countries in 2022. Subsidiaries shall be subject to the auditing fees of Baht 23.85 million.

**On behalf of the Audit Committee**



**(Mrs. Kaisri Nuengsigkapan)  
Chairman of the Audit Committee**

# Corporate Governance and Nomination Committee's Report

SCG Packaging Public Company Limited

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 Corporate Governance and Nomination Committee Charter. In 2021, the Corporate Governance and Nomination Committee convened a total of six meetings with an attendance record of 100%. All significant operations in 2021 could be summarized as follows:

## 1. Recommendations of policies and guidelines with regard to the Corporate Governance of SCGP:

In 2021, the Board of Directors, as recommended by the Corporate Governance and Nomination Committee, resolved to form additional SCGP's Corporate Governance policies and guidelines to support good corporate governance in line with SCGP growth, where transactions are more complex and diverse, and expansion of business overseas is witnessed. The Board of Directors had approved the additional Corporate Governance policies and guidelines of SCGP, as following:

- Intellectual property policy;
- Tax policy;
- Diversity and inclusion policy;

- Guideline regarding the Board of Directors' conflict of interests;
- Guideline regarding the Board of Directors development.

Moreover, the Board of Directors, as proposed by the Corporate Governance and Nomination Committee, resolved to review and revise SCGP's corporate governance policies and guidelines in order to ensure that the SCGP's good corporate governance shall support business strategies and changes, enhance fairness and transparency in business conducts and management, generate returns and create long-term value for shareholders, foster confidence and trust in all stakeholders, and promote SCGP's competitiveness in a sustainable fashion. Corporate governance policies and guidelines revised in 2021 are as follows:

- SCGP Code of Conduct;
- Policy on Qualification and Nomination of Company Directors;
- Anti-corruption Policy;
- Prevention of Conflicts of Interest Policy;
- Human Rights Policy;
- Performance Assessment Forms for the Board of Directors and the Subcommittees;

- SCGP Corporate Governance Structure;
- Charter of the Board of Directors;
- Charter of the Audit Committee;
- Charter of the Corporate Governance and Nomination Committee;
- Charter of the Remuneration Committee;
- Charter of the Internal Audit Office.

## 2. Revision of scope of duties and appointments of the Subcommittee members:

In 2021, the Board of Directors, as recommended by the Corporate Governance and Nomination Committee, resolved to revise the scope of duties and appointments of all 3 Subcommittees, and appointed the Subcommittees members as per the compositions in the Subcommittee Charter according to their expertise and experiences for effective operations of the Subcommittees.

## 3. Nomination of qualified candidates to replace the directors due to resignation in 2021 and retirement by rotation in 2022:

The Committee performed its role in recruiting and nominating qualified candidates in place of the members resigned in 2021 for the Board of Directors to consider voting. Also, the Committee



proposed the list of the qualified candidates in place of those who are retiring by rotation in 2022 to the Board of Directors for consideration prior to further proposing for election in the 2022 Annual General Meeting of Shareholders. The recruitment and nomination were done by considering committee structural diversity, namely knowledge, expertise, experience, genders and specific abilities in accordance with SCGP's sustainable strategies and business conduct (Board Skills Matrix) in order to encourage wider viewpoints and visions for the benefits 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 2022 Annual General Meeting of Shareholders, during the period of August 2 - November 2, 2021. The criteria, procedures, qualifications and prohibited characteristics of the nominated candidates were disclosed to shareholders via the Stock Exchange of Thailand's SET Link and the Company's website in order for the Corporate

Governance and Nomination Committee to consider for recruitment and selection of candidates to be proposed to the Board of Directors and shareholders for approval.

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

The orientation was provided to the committee members elected in place of those resigned in 2021, 2 people in total, to equip them with knowledge and understanding about duties of the Committee or the Subcommittee they are appointed to, as well as giving information necessary to duties, such as SCGP nature of business, objectives, main goals, visions, missions, corporate values, business guideline, Corporate Governance Policy and human resources management.

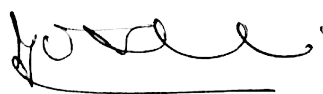
The Committee held 3 dialogues in total, to exchange knowledge, viewpoints and experiences between the Board of Directors and external organizations with know-hows and experienced in the specific subjects, regarding significant trends of changes and future of the world's packaging markets, energy-related changes, business conduct, taking into consideration also

of Environmental, Social, and Governance (ESG), and corporate social responsibility (CSR) in the community level to enhance board members' knowledge in business, business-related environment and good corporate governance.

Furthermore, significant essences of 2021 registered company's good corporate governance practices and suggestions distributed by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand and Thai Institute of Directors Association (IOD) were gathered and summarized for the Committee members to follow up all changes regarding good corporate governance continuously.

Due to continuous compliance with the SCGP's Corporate Governance Policy and practices, SCGP was evaluated full 100 score for the 2021 Annual General Meeting of Shareholders Quality Assessment held by Thai Investors Association and rated excellent from the Corporate Governance Report of Thai Listed Companies 2021 conducted by Thai Institute of Directors Association. In addition, the Stock Exchange of Thailand listed SCGP as one of its 2021 Thailand Sustainability Investment list.

**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


The Remuneration Committee performed its duties in a prudent, fair, and reasonable basis, as prescribed by the Board of Directors under the duties and responsibilities set out in the Charter, by considering the remuneration, compared with those of other leading listed companies and corporations within the same industry or of a similar size.

In 2021, the Remuneration Committee convened seven meetings, with 100% attendance rate of the committee members attended. The Committee performed its role in considering the remuneration of the Company's CEO and top executives in relative to their performances and the operational results, 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.

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 the employee morale and retain talented personnel.

**On behalf of the Remuneration Committee**



**(Mr. Vanus Taepaisitphongse)**  
**Chairman of the Remuneration Committee**



SCGP focuses on providing what customer needs and being an integral part of consumer daily lifestyle.



# Operating Results in 2021

SCGP maintained a position as the leading integrated packaging solutions providers while continued to deliver stellar regional growth in accordance with our strategy amid the backdrop of economic volatility, the COVID-19 pandemic as well as the possibilities of virus mutation. This is achieved through expansions of our production capacity and synergies realization from the merger & partnership, which results in an increased sales in high growth industries. The Company also focused on developing packaging solutions and innovation to serve the evolving consumer demands while placing emphasis on environmental, social and governance (ESG) aspects.

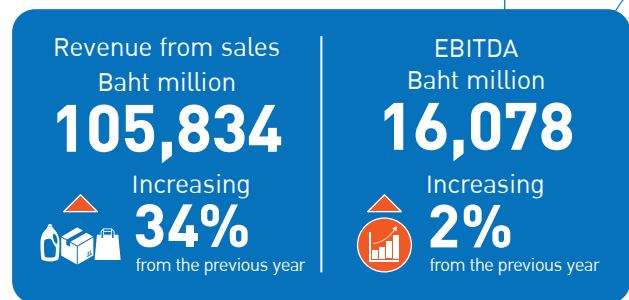
In 2021, SCGP's total revenue from sales was Baht 124,223 million, an increase of 34% compared to the previous year, from our continued growth in the form of merger and partnership and organic expansion, as well as the growing demand in fast-moving consumer goods (FMCG), food and beverage, foodservices, and E-commerce industries. The network of our plants that are capable of producing various kinds of products for numbers of industries has helped diversify external risks and possible uncertainties. By proactive cost management amidst of the period of heightened operating cost and internal process improvement to increase competitiveness, EBITDA was Baht 21,150 million, an increase of 25% compared to the previous year. Profit for the year was Baht 8,294 million, an increase of 28% compared to the previous year.





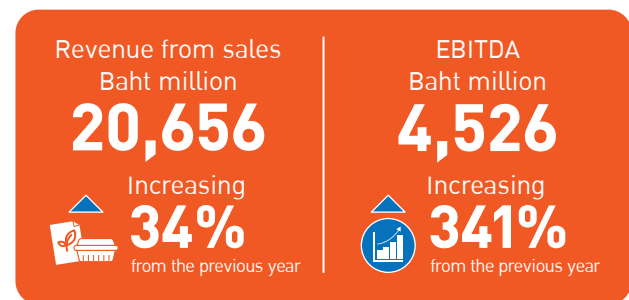
### ■ Integrated Packaging Business

Revenue from sales of Integrated Packaging Business in 2021 was Baht 105,834 million, an increase of 34% compared to the previous year, supported by increased demand of consumer goods, food and beverage, and personal hygiene products. Moreover, SCGP has expanded Fajar's packaging paper capacity and consolidated new M&P companies; SOVI, Duy Tan, Intan Group, and Deltalab during the year. EBITDA was Baht 16,078 million, an increase of 2% compared to the previous year.



### ■ Fibrous Business

Revenue from sales of Fibrous Business amounted to Baht 20,656 million, an increase of 34% compared to the previous year, due to growth of foodservice packaging business, the consolidation of Go-Pak, and overall upward trend of pulp and dissolving pulp prices. EBITDA was Baht 4,526 million, an increase of 341% compared to the previous year.



### Business Challenges

In 2021, SCGP operated amidst the challenges of the COVID-19 pandemic, the imposition of strict lockdown measure for suppressing the infection which delayed the recovery progress of regional consumption, and the heightened energy and freight costs from

the global supply chain disruption. However, packaging demand from essential industries such as FMCG, food and beverage, foodservices, and E-commerce continued to grow, while printing and writing paper demand declined compared to the previous year.

## Developments of Business and Investment

- Acquired 100.0% of shares in Go-Pak UK Limited (Go-Pak), a leading providers of foodservice packaging solutions for takeaway and ready-to-eat food and beverage businesses in the UK, Europe, and North America, with headquarters in the UK and production bases in southern Vietnam.
- Acquired 70.0% of shares in Duy Tan Plastics Manufacturing Corporation Joint Stock Company (Duy Tan), a leading rigid packaging manufacturer in Vietnam. The majority of the Company's customers are multinational corporations and owners of goods in rapidly growing countries.
- Acquired an additional 20.0% of shares in Visy Packaging (Thailand) Limited, resulting in SCGP stake in Visy increased from 80.0% to 100.0%. Added the 7<sup>th</sup> thermoform production line and related warehouse, resulting in an

increase in its total capacity of 347 million pieces, or approximately 15 - 20% depending on company's product mix at a specific point of time.

- Acquired 75.0% of shares in Intan Group, one of Indonesia's corrugated containers manufacturers with both internal and domestic customers in the food, beverage, and FMCG industries.
- Acquired 85.0% of shares in Deltalab, S.L. (Deltalab), the medical supplies and labware specialist registered in Spain. This investment is in line with the megatrend in healthcare and the growing tendency of aging society.

- Invested in pressboard capacity expansion of foodservice packaging by additional 1,615 million pieces per year at Ratchaburi plant in Thailand and Binh Duong plant in Vietnam. Expanded molded pulp packaging production capacity by additional 223 million pieces per year at Kanchanaburi plant in Thailand, with start-up date expected in the 2<sup>nd</sup> quarter of 2022. Both investments are aimed at increasing our capabilities for future market expansion and to capture the growing demand for foodservice packaging, especially from overseas.
- Invested in the 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 commissioning at the beginning of 2024.



## Human Resource Development

- Encouraged continuous self-development among employees as per the SCGP Learning Framework to ensure their capability is up-to-date, able to overcome new challenges, including fast-paced demand and lifestyles of consumers and new environment, and possesses 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 the organization capability and people capability.
- Enabled employees to design their career through competency assessment and compare the result with the position in the organization, which in turn helped employees see their own career path. This also encouraged employees to emphasize on learning, self-development, and competency building, respond to the organizational visions, and pass values to customers, as well as satisfy their own needs.
- Assessed high-performance employee groups (or talent groups) annually and ensured the assessment criteria are in line with vision and mission of the Company, including the culture and behavior that can respond to changes and megatrends, and

customer centricity. In terms of development of talent groups, the Company encouraged self-development planning 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.

- Cultivated innovative culture through “The Inspiring Innovation” activity to encourage employees to pursue innovative products, as well as improve working processes or systems to increase manufacturing efficiency through hands-on experience in the form of a contest. This activity also promoted learning and innovation development with the assistance of external experts and employees in order to expand knowledge and apply it at work.





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

- Developed “Fest® Daily”, brown paper food packaging. It is made from 100% new fiber that is safe to contact with food, can contain hot food up to 100 Degree Celsius. It is also water-resistant, oil-resistant, heat-resistant, and can be used for a variety of foods.
- Launched the second “SCGP Inspired Solutions Studio” in Thai Containers Group Co., Ltd., Ratchaburi plant, to present innovation and solution packaging of SCGP which customers can touch and pick various types of packaging to truly meet the demand of customers and consumers.
- Cooperated with the Dairy Farming Promotion Organization of Thailand (DPO) in production of paper straws to be used with Thai-Denmark Lactose Free UHT Milk. It is the first brand to use paper straws made by a domestic manufacturer, in order to encourage eco-friendly packaging.
- Cooperated with Chulalongkorn University in designing and production of respirators in the “CUre AIR SURE” project. The inspirators were made to protect against diseases, small particles,



and bacteria with a 99% effective rate in accordance with the 1<sup>st</sup> Level of the Medical Face Mask ASTM F2100 standard. They were designed for comfortable everyday usage, suited facial structures of Thai and Asian people, came with a modern design, and were made with safety-first mindset by public health personnel and acted as an alternative for COVID-19 protection. The respirators won the G-mark Award 2021 in the category of Accessories and Personal Items for Professional Use from the Japan Institute of Design Promotion.

- Developed “ALMIND by SCGP”, alcohol-based hand sanitizers formulated with natural extract AQUACELLA, a nano-technology innovation from SCGP, for moisturizing hands, keeping them

soft and tender, tested and certified by dermatological experts from DermScan Asia as safe for users.

- Supported a startup company, DezpaX, an integrated food packaging E-commerce platform, providing every type of quality packaging on top of a logo designing and printing service, affordable auto-adjusted prices, and operational 24/7. It is the first entity to combine the packaging industry and publishing industry in a single platform, offering convenience for customers.
- Supported LocoPack, an internal business startup, utilizing digital technology to enable customers to design their own packaging with the aid of personal designers. The customers can also design packaging by selecting a template on the website, as well as placing a production order and requesting a delivery to the desired location with a minimum limit of 100 pieces. This mitigates customers’ workload, eliminates the need to restock, and cost management. In addition, printing businesses are included in the system to support the sharing economy.



- Applied technology in workplaces, such as, digitization, automation, and artificial intelligence (AI), to analyze, predict, and improve production performance and productivity for industry sectors; examples included the Angel-Maintenance system, for higher performance maintenance; Print Image Inspection, an AI-based

system for quality checking of printing work to be in line with customer's demand; AI Wood Log Quality Inspection, an AI-based system to check accuracy of logs and ensure safe handling; Business Spending Management, a comprehensive providing system with the aid of AI for analysis and suggestion

and efficient providing; Automatic Warehouse, a mechanized or driverless system, such as Autonomous Guidance Vehicle (AGV), Automation and Retrieval System (AS/RS), and Warehouse Management System to display status, quantity, and storage location accurately for the most efficient delivery.

### Business Operations Following Sustainable Development Principles

SCGP placed importance on reducing greenhouse gas by 20% by 2030, compared with the base year of 2020 all business units and aimed to achieve Net Zero by 2050 as part of the joint effort to control the average global temperature increase at a rate not higher than 1.5 Degrees Celsius in accordance with the Paris Agreement. Furthermore, SCGP aimed to reduce water withdrawal by 35% by 2025 compared with Business As Usual (BAU) basis at the base year of 2014 and continuous monitoring and processes in accordance with international guidelines. SCGP also reduced the volume of industrial waste, increased the ratio of recycled paper in production, and increased the ratio of recyclable plastic packaging.



### Energy Management and Climate Change

Currently, SCGP reduced greenhouse gas emission by 2.4% with activities as follows:

- Improved performance and adjusted work and device processes, saving 53,413 gigajoules per year while reducing greenhouse gas emissions by 7,762 tons of carbon dioxide per year.

- Increased biofuel consumption, reducing greenhouse gas emissions by 277,440 tons of carbon dioxide per year.
- Expanded the Solar Roof project, saving 11.78 megawatt per year while reducing greenhouse gas emissions by 8,757 tons of carbon dioxide per year.
- Adopted Natural Climate Solution (NCS) by growing and preserving forests for carbon dioxide absorption and storage. SCGP grew for a total of 55,315 trees in and around the plant areas in various provinces as part of the 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 carbon dioxide absorbed, as well as cooperating with local community to build over 570 check dams for forest water restoration.

- Cooperated with The Creagy Co., Ltd. and Thailand Greenhouse Gas Management Organization (Public Organization) and developed an economic mechanism for Internal Carbon Pricing (ICP) to promote eco-friendly project, create sustainable opportunity investment, and provide benefits to organizations in the form of climate change risk management, including greenhouse gas reduction which is the primary cause of global warming.

- Cooperated with SCG in an evaluation to identify risks, opportunities, and financial impact and conducted Task force on Climate-Related Financial Disclosure (TCFD).

### Water Management

- SCGP conducted comprehensive water management by utilizing WRI's AQUEDUCT, a water risk assessment, to assess water stress in operating areas across the ASEAN region. The Company also analyzed water situations for risk assessment, for example, quantity and quality risks, legal and structural risks, and community conflict risks, and outlined water situation simulation plans and predicted water volume in external water sources along with assessing business continuity management (BCM) for water business continuity planning (BCP) as well as following water situations and planning water resource management with the government sector, locals, and industries.
- SCGP aimed to reduce external water withdrawal by 35% by 2025 compared with Business As Usual (BAU) basis at the base year of 2014 in accordance with the 3R principle, focusing on improving water utilization in the production process of the Company for the best performance. Currently, SCGP is able to reduce external water withdrawal by 26.3% by 2015 compared with Business As Usual (BAU) basis at the base year of 2014 while increasing water recirculation by 14.2% for external water sources.
- 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 devices in order to increase water consumption efficiency in the production process.

- SCGP installed a sewage treatment system which use modern and high-performance biological approaches to ensure that the wastewater 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. In addition, the treated water can be reused in the production process and supplied to community's agricultural areas around the plants. SCGP implemented the Water Management for Agriculture project by delivering treated water amounting totaling 3.8 million cubic meters to agricultural areas surrounding plants in Ratchaburi and Kanchanaburi provinces, covering 3,850 rai. This reduced water shortage in the agricultural areas while increasing farmers' income.

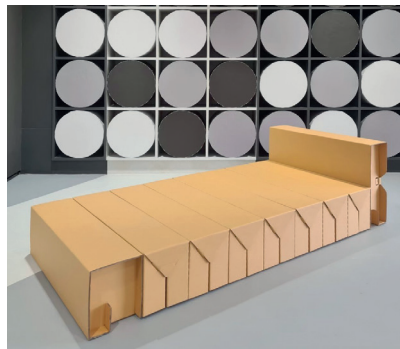
### Industrial Waste Management

SCGP continues to manage industrial waste in accordance with 3R principle (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 efficient as possible. SCGP adheres to standards defined by the government or international organization standards, going beyond compliance by researching and developing innovation to reuse or process waste into value-added products. In Thailand, SCGP reduced waste sent to landfills to zero ton and recycled waste into products with a rate of 99.99% from a total amount of waste.

## Social and Environmental Activities

### “United to Fight Against COVID-19 : Transform Used Paper Into SCGP Paper Field Hospital Bed” Project

SCGP developed creative design for social innovation, including the “SCGP Paper Field Hospital Bed,” which was made from recycled paper to help alleviate hospital bed shortages during the COVID-19 pandemic crisis. Through the “United to Fight Against COVID-19 : Transform Used Paper Into SCGP Paper Field Hospital Bed” project, SCGP cooperated with organizations and public to encourage an eco-friendly mindset, knowledge, and awareness regarding how to use and manage leftover paper materials properly to circulate and reuse valuable resources; this also included the “SCGP Paper Field Hospital Bed”. The project was well-received, with 150 organizations participating, held events for a total of 1,800 public locations for people to participate, and collected paper materials for a total of 450 tons from donors which were sent to SCGP for recycling, turned into “SCGP Paper Field Hospital Beds”, and sent to those in need at each area. In 2021, SCGP donated more than 110,000 paper field hospital beds in Thailand, Vietnam, and Indonesia.

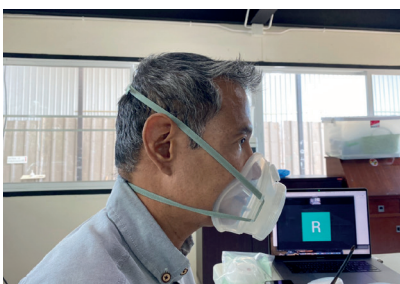


packaging, transportation packaging, medical supplies, copy paper, and food and beverages to many sectors as contribution towards COVID-19 pandemic relief and prevention in Thailand and ASEAN countries.

### “Community Career Development through Paper Band” Project

SCGP cooperated with lecturers and Kanchanaburi Rajabhat University to promote product weaving from waste materials in the paper production process and produce paper bands which are sturdy, durable, mold-resistant, and have nice natural color. Students and communities around the plants made use of their free time by promoting the craftsmanship which are unique to each area. The project has created a wide range of products, including household goods, such as, baskets, trays, coasters; health goods, such as,

finger stretchers and camphor, and fashion products, such as bags, mesh bags, flower baskets, and gift boxes consequently since 2014, as well as educating the body of knowledge at each community learning center and developing a sales channel for export. In 2021, SCGP added dyeing techniques into the project to increase values and beauty of the products, and delivered paper bands to communities for a total of 5,100 kilograms, increasing their income by Baht 580,000.



## SCGP PACKAGING SPEAK OUT



from international designers for students, professors, designers, and those interested in packaging design.

### Sports Support and Promotion Project

SCGP supported and promoted world-class golfers Moriya Jutanugarn and Ariya Jutanugarn, as well as world-class badminton players Dechapol Puavaranukroh and Sapsiree Taerattanachai, who possessed potential and mental fortitude to motivate themselves along the challenging pathway towards their goals and succeed on the world stage. They also became inspiration and a role model for new generations.



### SCGP Packaging Speak Out 2021 Project

SCGP hosted an event and provided an opportunity for Generation Z to propose creative packaging ideas that fitted 2 topics, packaging design and packaging solutions, to solve global or social issues which they were interested in the most. New generations now have a platform to design goods, share ideas, and improve quality level of the packaging industry in Thailand and ASEAN. There were 379 submissions from various fields of study and over 70 educational institutions domestically and internationally.

### SCGP Packaging Design Challenge Vietnam 2021 Project

SCGP held a packaging design contest in university education in Vietnam in order to simulate creativity among new generation youth and provide a platform for them to demonstrate their design potential through a contest. There were 87 submissions from 16 universities nationwide. In addition, SCGP held Design Talk under the “Enhance Your Creativity” topic in the contest to share packaging design knowledge and experience



model communities; SCGP aimed to reach out to all 183 communities in the Ban Pong District by 2023. Among the existing community members, the Ban Nong Song Hong community won a Zero Waste national award from Department of Environmental Quality Promotion in 2021. SCGP also expanded this model in provinces where SCGP plants were located, at total 13 communities in Prachinburi, Kanchanaburi, and Khon Kaen.

### “Plant the Tree to Save the World” Project

SCGP cooperated with communities around the Ratchaburi Plant, Kanchanaburi Plant, Prachinburi Plant, and Khon Kaen Plant to plant trees to absorb carbon, the main cause of global warming. Every year, SCGP contributes to the restoration of natural ecosystems and biodiversity as well as cultivating an eco-friendly mindset for each sector to conserve forest resources. The project grew 44,300 trees in 2021, and SCGP also provided a guideline for tree planting using sustainable methods.

### Zero Waste Community Project

SCGP cooperated with Ban Pong District and its 17 local government organizations, Ratchaburi Province, to promote the Circular Economy and make the district a role model in efficient waste management for 3 consecutive years. In this year, 17 new communities joined the project, bringing the total 58



### “Conserving Water from Mountain to Mighty River” Project

SCGP collaborated with volunteers in Kanchanaburi province to continuously improve water management efficiency in accordance with the royal initiatives “Upstream to Downstream” and built 570 check dams to restore water to the forest, restore ecosystem balance, create a sustainable water cycle for the entire water path that communities can use sustainably, cultivate a nature

conservation mindset, and imprint the importance of water and forest resources on future generations.

### “Pipper Bottle for Recycling” Project

Conimex Co.,Ltd. in SCGP cooperated with Pipper Standard to collect used plastic bottles, pass them through sorting and cleaning processes, and then use modification technology or innovation to transform the bottles into Post Consumer Recycled Resin (PCR) before turning into new bottles.

### “We Draw the New World Together” Project

SCGP cooperated with BITEC to promote environmental conservation by utilizing eco-friendly materials and reusing waste from BITEC events to maximize benefits. The project

aimed to promote sustainable event management and turn Thailand into MICE business center of the ASEAN region. The target materials included booth decorations, meeting devices, and foodservice packaging in BITEC.



### Awards and Achievement in 2021

- SCG Packaging Public Company Limited received Business Excellence Awards in the category of Best Deal of the Year Awards due to outstanding performance in the first initial public offering (IPO) and Sustainability Excellence Awards in the category of Rising Star Sustainability Awards due to the business operations being in line with sustainable development guidelines from the Stock Exchange of Thailand.
- SCG Packaging Public Company Limited achieved a Silver Class rating in the category of Containers and Packaging by S&P Global.
- SCG Packaging Public Company Limited achieved a Gold Medal in 2021 by the EcoVadis Sustainability Ratings.



- SCG Packaging Public Company Limited and Thai Containers Group Co., Ltd. received World Packaging Organization (WPO) awards as follows:

### WorldStar Packaging Awards 2021

by the World Packaging Organization (WPO) in 1 Award:

- 1 Award of Luxury Packaging

### Certificate of Merit awarded

by the World Packaging Organization (WPO) in 1 Award:

- 1 Award of Point of Purchase

### ThaiStar Packaging Awards 2021

by the Department of Industrial Promotion in 8 awards:

- 6 Awards of Consumer Package
- 2 Awards of Eco Package

- SCG Packaging Public Company Limited and Thai Containers Group Co., Ltd. received the DEmark Award 2021 in the category of Packaging Design for 2 awards for their submission of Wealthy Orange Box and Coco Bucket, and in the category of Industrial and Digital Product for their submission of CURE AIR SURE. The event was hosted by the Department of International Trade Promotion, Ministry of Commerce.

- SCG Packaging Public Company Limited received the G-mark Award 2021 in the category of Accessories and Personal Items for Professional Use for the submission of CURE AIR SURE. The event was hosted by the Japan Institute of Design Promotion.



- Thai Containers Group Co., Ltd. and Tawana Container Co., Ltd. received the Best Material Innovation Awards 2021 from the World Corrugated Awards 2021.

- SCG Packaging Public Company Limited and Siam Kraft Industry Co., Ltd. received the ASEAN Energy Awards 2021 in the category of ASEAN Coal Awards: Transportation and Storage of Coals, and the 1<sup>st</sup> runner-up award in the category of Best Practice in Clean Coal Use and Technology from the ASEAN Centre for Energy (ACE).

- Companies in SCGP received the Outstanding Workplace Award for Safety, Occupational Health and Environment in 2021 from the Ministry of Labor.

**Platinum Award**

- Thai Containers Group Co., Ltd., Pathum Thani Plant

**Diamond Award**

- Thai Containers Rayong Co., Ltd.

**Platinum Certificate**

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

**Diamond Certificate**

- Thai Containers Khonkaen Co., Ltd.
- Tawana Container Co., Ltd.
- Thai Cane Paper Public Company Limited, Kanchanaburi Plant

**Gold Certificate**

- Thai Containers Group Co., Ltd., Kamphaeng Phet Plant
- Thai Containers Group Co., Ltd., Prachinburi Plant
- Siam Kraft Industry Co., Ltd., Wangsala Plant
- Thai Cane Paper Public Company Limited, Prachinburi Plant

- Companies in SCGP received the Outstanding Organization Award - Labor Relations and Welfare in 2021 from the Ministry of Labor.

**Best Award**

- Thai Containers Group Co., Ltd. (TCG), Ratchaburi Plant
- Thai Containers Group Co., Ltd. (TCG), Pathum Thani Plant
- Thai Cane Paper Public Company Limited, Kanchanaburi Plant
- Siam Forestry Co., Ltd.

**Honorary Award**

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

**National Award**

- Thai Containers Group Co., Ltd., Samut Prakan Plant
- Tawana Container Co., Ltd.
- Siam Kraft Industry Co., Ltd.

- Siam Kraft Industry Co., Ltd., Wangsala Plant, Thai Cane Paper Public Company Limited, Kanchanaburi and Prachinburi Plants, and Thai Paper Co., Ltd., Wangsala Plant received a Green Industry Level 5 certificate from the Ministry of Industry.

- Vina Kraft Paper Co., Ltd. was listed as 1 of 5 organizations with excellence gender equality management and 1 of 100 organizations in Vietnam with excellence sustainable management by the Vietnam Chamber of Commerce and Industry (VCCI).

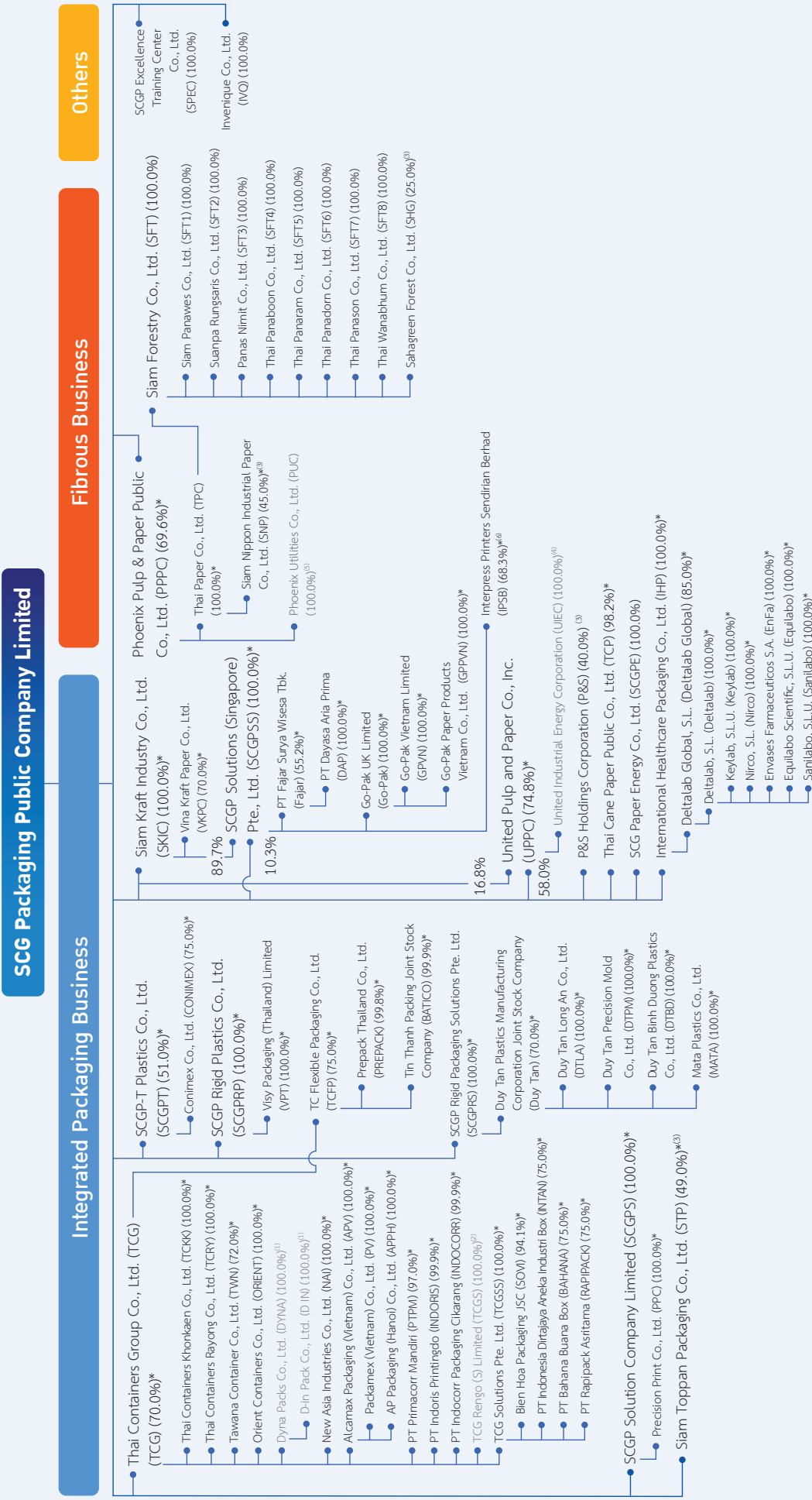
- FT Fajar Surya Wisesa Tbk. received Green Industry Award 2021 by the Ministry of the Republic of Indonesia.

- Duy Tan Plastics Manufacturing Corporation Joint Stock Company was listed as the Top 100 Best Place to Work in Vietnam by VnEconomy and Vietnam Economic Times.

- Duy Tan Plastics Manufacturing Corporation Joint Stock Company received Ho Chi Minh City Golden Brand Award for outstanding industrial product and service innovation and development from the Ho Chi Minh City People's Committee.

### Shareholding Structure as at December 31, 2021

As at December 31, 2021, the Company holds shares in 70 subsidiaries and 4 associates. The operations are divided into two main businesses: Integrated Packaging Business and Fibrous Business, with detail of shareholding as follows:



**Remarks:** \*Companies that operate the main businesses

(1) DYNA and D-IN 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.  
 (2) 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.  
 (3) Associated company.  
 (4) UIEC registered the termination of its business on April 24, 1997.  
 (5) PUC transferred the entire business to PPPC 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.  
 (6) SCGPSS has 68.3% of IPBS's total voting rights as some of the shares that SCGPSS holds in IPBS are net preferred shares with no voting rights.

# Operating Structure of the Group Companies

## Business Operations and Operating Performance

### SCGP Vision, Purpose, Mission, Strategy

SCG Packaging Public Company Limited (SCGP) embraces 4 important business philosophies, which are consisted of 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; and
- Committing to undertake 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 business for 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 the

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, reduce and recycle 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

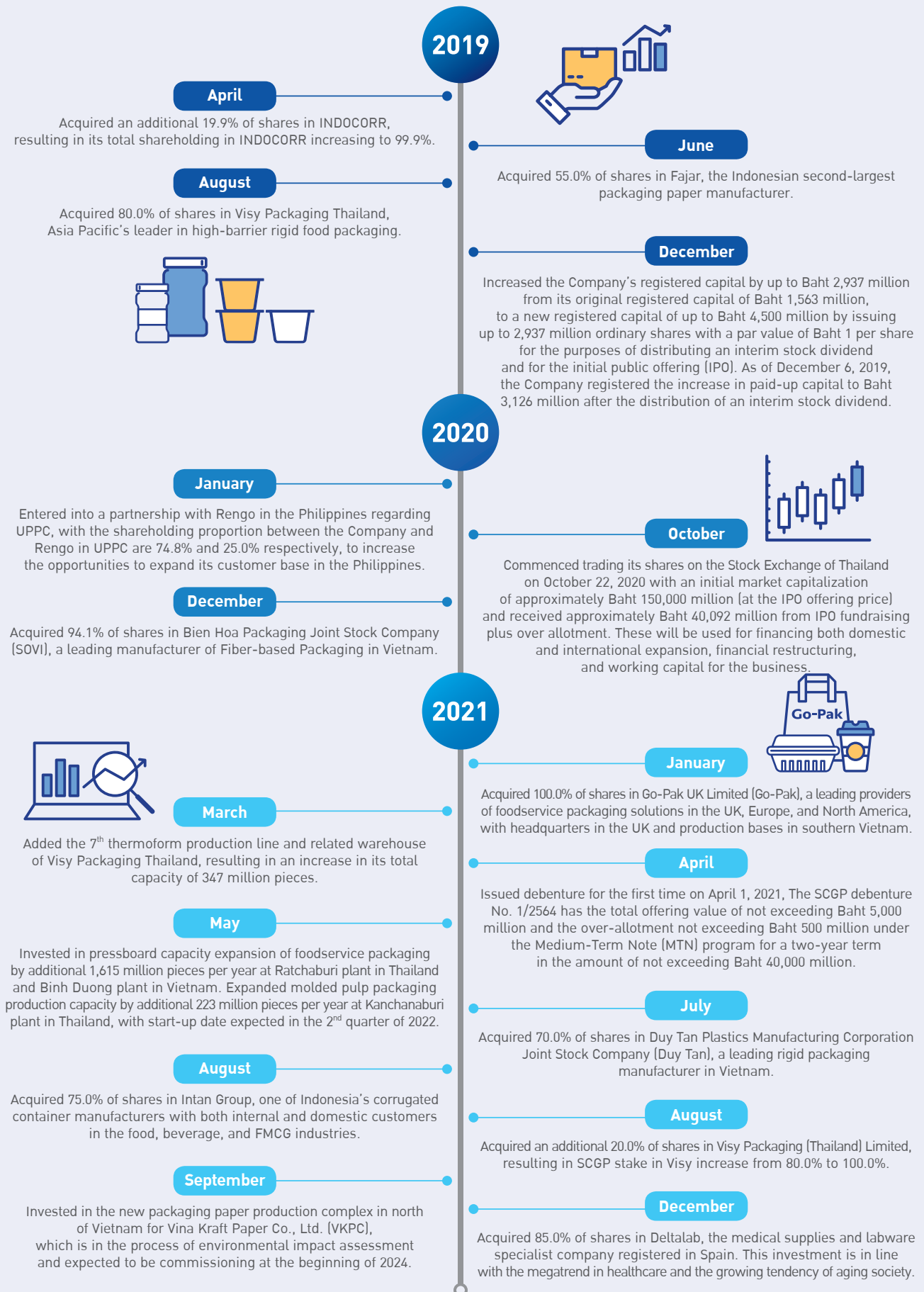
- Quality Growth through Merger and Partnership (M&P) and Organic Expansion
- Packaging Solutions, Innovation, and E-commerce
- Operational Excellence
- ESG and Sustainability





## Major Changes and Developments

Major changes and developments over the past three years are in chronological order as follows:





### Utilization of Proceeds

With respect to SCGP 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

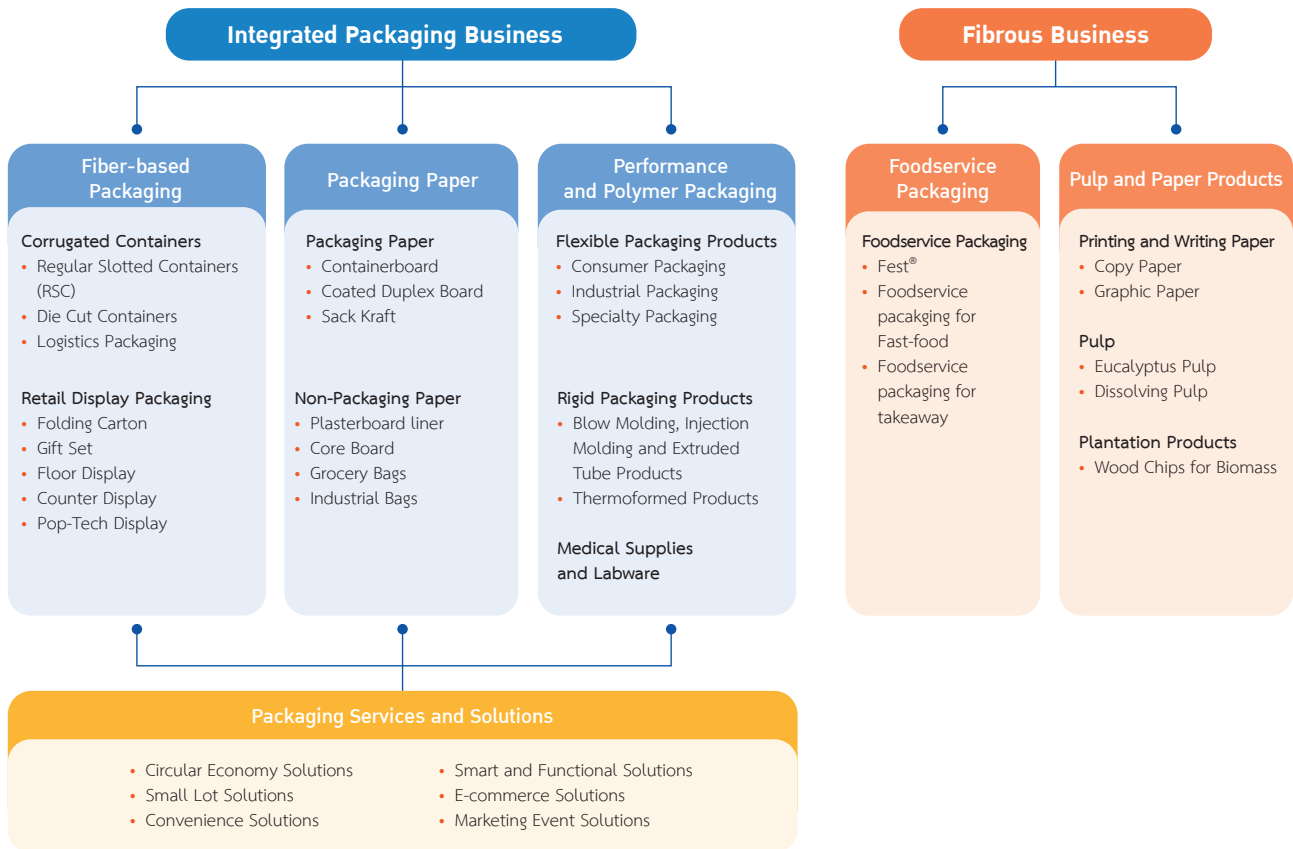
issued ordinary shares to over-allotment agent, at the selling price of Baht 35.00 per share, in which the Company received the net proceeds in the amount of Baht 40,092 million after deduction of expenses relating

to IPO from the initial process of Baht 40,842 million. Up to the issuance date of this report, the Company has used proceeds from the share of Baht 35,543 million offering as follows:

Description	Amount and duration	Proceeds used until December 31, 2021	Details
1 For the finance of business expansion projects for organic growth or inorganic growth such as acquisitions and/or for maintenance investment	Baht 27,000 million (by 2023)	Baht 22,451 million	Used for share purchase in SOVI, Go-Pak, Duy Tan, Intan Group, Deltalab, and additional shares purchase in Visy Pacakging Thailand, as well as investments in capacity expansion and on other maintenance needs
2 For the repayment of loans from financial institutions (which may include the financial institutions having 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 two main operating segments: Integrated Packaging Business and Fibrous Business.



### Integrated Packaging Business

SCGP offers Fiber-based Packaging, Packaging Paper, and PPP. For Fiber-based Packaging, the Company produces and sells corrugated containers, retail display packaging, grocery and industrial bags. To complement the already strong and responsive Fiber-based Packaging offerings to our customers and to serve customers' needs, the Company has been developing PPP business

line since 2015, which produces flexible and rigid packaging that are, in particular, suitable to 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 135,000 SKUs in 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 system, 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 products.

## Revenue Structure

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

Unit : Baht million

	Year					
	2021	(%)	2020	(%)	2019	(%)
<b>Integrated Packaging Business<sup>(1)</sup></b>						
Fiber-based Packaging	30,861	24.9	23,747	25.6	24,615	27.7
Packaging Paper	64,506	51.9	48,293	52.0	41,725	46.8
Performance and Polymer Packaging	10,196	8.2	6,863	7.4	5,285	5.9
Revenue from sales of Integrated Packaging Business <sup>(2)</sup>	105,563	85.0	78,903	85.0	71,625	80.4
<b>Fibrous Business</b>						
Revenue from sales of Fibrous Business <sup>(2)</sup>	18,660	15.0	13,883	15.0	17,445	19.6
<b>Total revenue from sales</b>	<b>124,223</b>	<b>100.0</b>	<b>92,786</b>	<b>100.0</b>	<b>89,070</b>	<b>100.0</b>

### Remarks:

<sup>(1)</sup> Data of each business segment in the Integrated Packaging Business is extracted from the Company's management accounts

<sup>(2)</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 its customers' needs and competitive cost management capability achieved through economies of scale and our vertically integrated fiber-based packaging supply chain. In addition, the Company also relentless focus on innovation, the quality and diversity of our



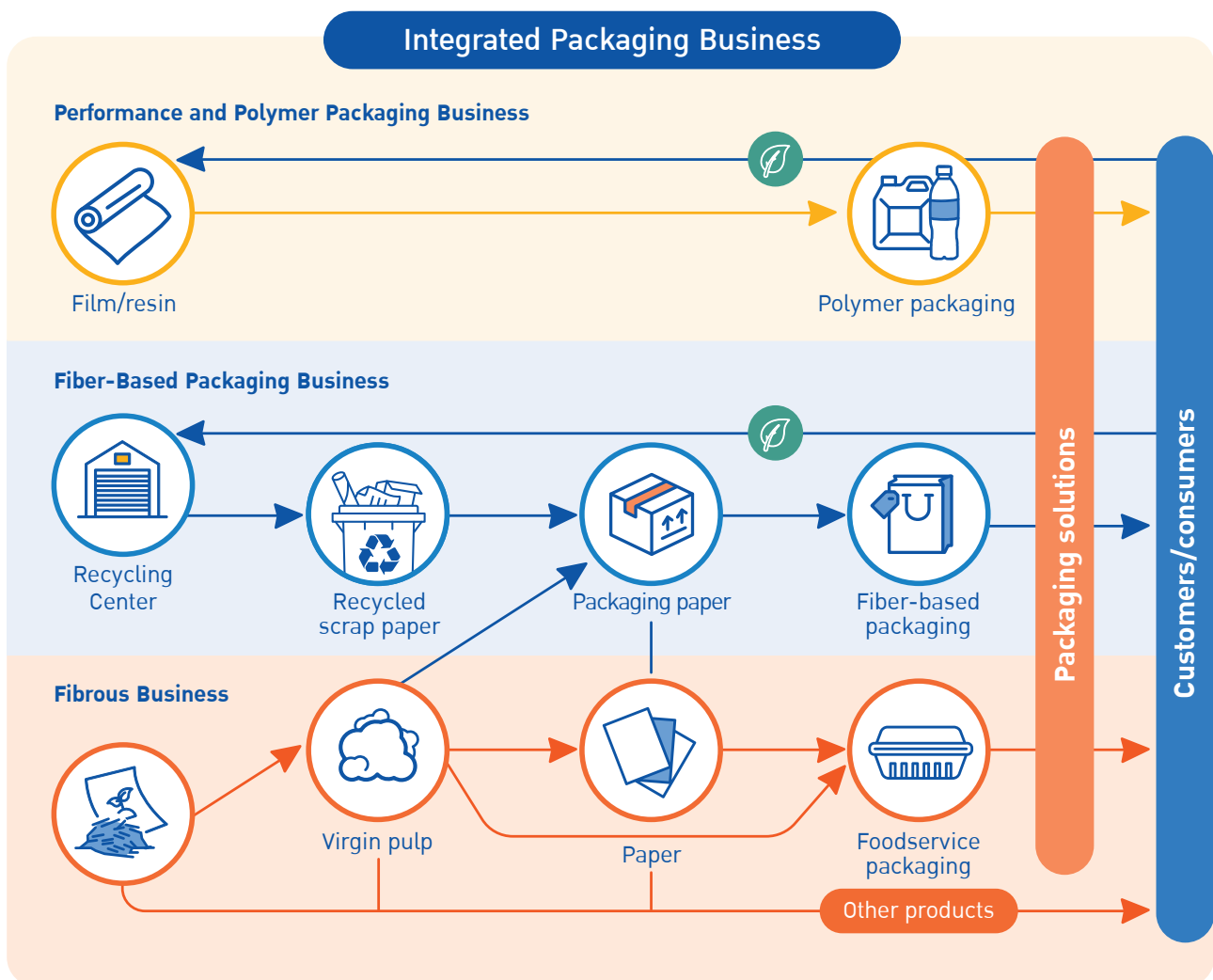
product and the efficiency of the manufacturing process as well as the ability to expand to high growth markets through selective and accretive mergers and acquisitions. Moreover, the Company's comprehensive packaging solutions play the important role in protecting, transporting, marketing and contributing to enhancing the brand of their products among consumers while enabling speedy and high volume packaging productions across multiple geographies, especially in light of the increase in E-commerce in ASEAN. These all contribute

to maintaining its 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 which include design, printing and other innovative solutions that its customers may need. The control SCGP has over its fiber-based 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-based Packaging

SCGP manufactures and sells a wide range of Fiber-based packaging and other paper supplies, including Packaging paper comprising corrugated containers, retail display packaging, and packaging solutions. The Fiber-based Packaging business generates most of its revenues from corrugated containers. The Company's fiber-based 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 products and protecting them from damage, corrugated containers can bear the details of the products for the information of end-customers and can be designed to prevent the counterfeiting of products they contain. Due to their ability to withstand external impact, they are increasingly used for packing consumer goods and consumer



electronics. Moreover, they play a fundamental role in the last-minute delivery logistics of the fast-growing E-commerce business.

The Company is able to scale up corrugated containers production volume within short notice and accommodate volume surges, especially during sales promotion periods.

#### Retail 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 retail-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 having to unpack the product, are easy to install, and can help to 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 and special paper such as high-pressure laminate (HPL), evaporative cooling pads and pulp, etc. Furthermore, SCGP emphasizes on continuous product and service improvement. For this reason, we strive to develop product innovation. As a result, high strength packaging paper, which are thinner but remain as durable, are offered to meet customers' requirements in reducing production costs which also encourage less resource consumption.



## Performance and Polymer Packaging (PPP)

PPP products are used for goods that the Company's fiber-based packaging offerings may not already appropriately address, as it requires special properties such as direct food contact, packaging that can hold liquid content, or carry a secure seal. PPP products can be divided into three main types: rigid packaging, flexible packaging, and medical supplies and labware. In 2021, revenue from the three categories were 57%, 40% and 3% respectively. The details of each PPP 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, the flexible packaging helps to reduce food waste, 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 suitable shape and form for use, such as bottles with resealable caps, squeeze tubes, and packaging with special diffusers, e.g. spray nozzles, airless mist sprays, pumps, and roll-ons. The packaging can be used for containing detergents, lubricants, food products such as syrups and jams, cosmetics and body care products such as body lotions and shampoos, as well as pharmaceutical products such as sanitizers, creams, gels, and topical medications.



### 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 system, traceable blood collection tube set for Haematology, 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, promoted sustainable business operations to support a full range of packaging services, and addressed customers' special needs. The diagram below shows how the Company can respond with products and services for each packaging requirement.



### Primary Packaging

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





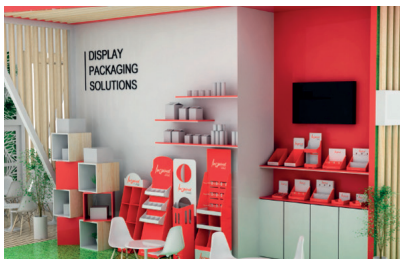
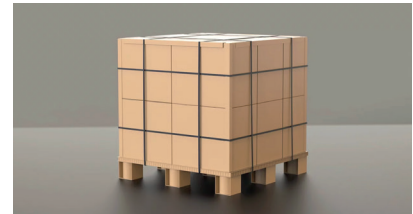
## Secondary Packaging

Secondary packaging is combined with primary packaging to prevent products from being damaged, increase ease and efficiency of transportation and distribution, as well as 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. Examples of secondary packaging include folding carton packaging for cookies, cosmetics, shoes, etc.



## Tertiary Packaging

Tertiary packaging includes corrugated containers which are strong, 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 functions 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, and 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 out of paper to answer customer marketing needs: the shelf is designed to be beautiful, quickly made and easy-to-move. It is also manufactured in an environmentally-friendly way 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 making purchasing decisions.

## Exhibition & Marketing Event Products

SCGP has expanded its corrugated paper product offerings by developing exhibition booth designs and starting an installation service for events and product presentations that is mainly made of corrugated paper. This results in work that is unique and stands out, 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 foodservice packaging under the Fest® and Go-Pak brands that are safe, convenient, and environmentally friendly to respond to the needs of consumers and also become parts of consumers' modern-day lifestyle. Products under the Fest® brands and Go-Pak are heat-resistant, non-melting, and non-leaking. Those under the Fest® brand can be divided into three main groups: Fest® Choice, Fest® Chill and Fest® Bio. The Company sells products under the Fest® brand to wholesalers, such as major cash-and-carry wholesalers and also directly to retail customers via online systems and restaurants.

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



The Company expects to utilize the potential of Go-Pak in expanding the markets and customer bases in the field of foodservice packaging, especially those in the foodservice segment, wholesalers and retailers in restaurant-related businesses, quick-served restaurants and catering service providers.

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, including Japan and South Korea. The Company plans to continuously expand its operations to other countries in ASEAN, Europe and North America.



## Pulp and Paper Products

- **Printing and Writing Paper**

SCGP offers a wide range of printing and writing paper for publishers and printing houses, as well as 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, ream-cut paper, laminated paper, and PE coated paper.

- **Pulp**

**Eucalyptus Pulp** is separated into three types: eucalyptus bleached kraft pulp, eucalyptus unbleached kraft pulp, and eucalyptus semi-chemical bleached pulp.



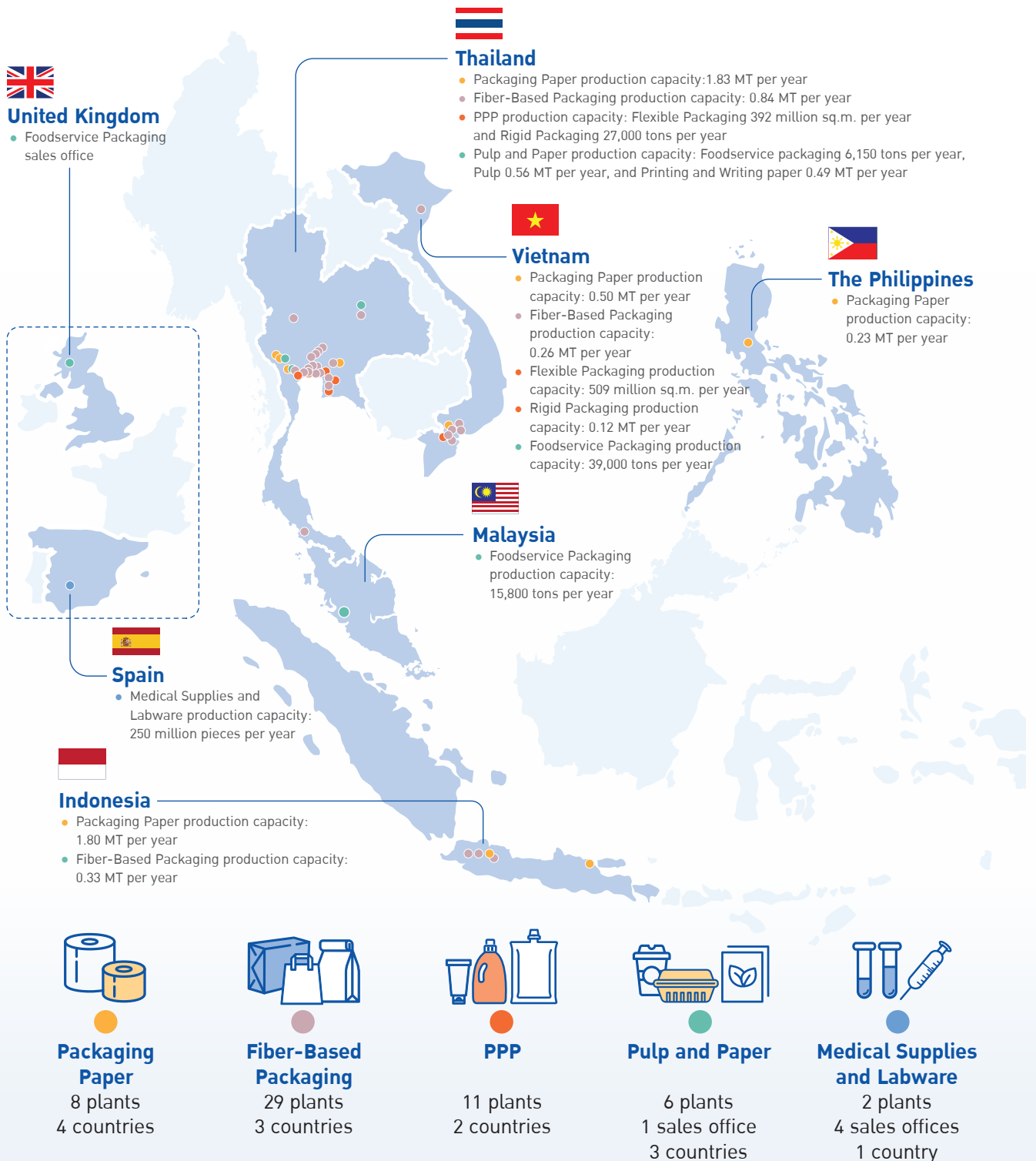
**Dissolving Pulp:** PPPC's plant in Khon Kaen is the only manufacturer in Thailand that produces dissolving pulp. The Company produces dissolving pulp from eucalyptus wood to be used in the textile industry (known as rayon fiber). It is mostly sold to textile enterprises in

China and for kitchen utensils. The Company's R&D continues to conduct research to improve the quality of dissolving pulp, starting from the cross-breeding stage for eucalyptus.

## Business Operations According to Geographical Area

In 2021, SCGP's business operations span across ASEAN, and expand to group of potential countries outside the region. The Company has a total of 56 production facilities and 5 sales offices in 7 countries: Thailand, Vietnam, Indonesia, the Philippines, Malaysia, United Kingdom and Spain. The Company's geographical presence strengthens our vertically integrated business model as it allows for more intra-group synergy among subsidiaries and increases our capability to gain access to markets with growth potential in ASEAN, Europe and North America.

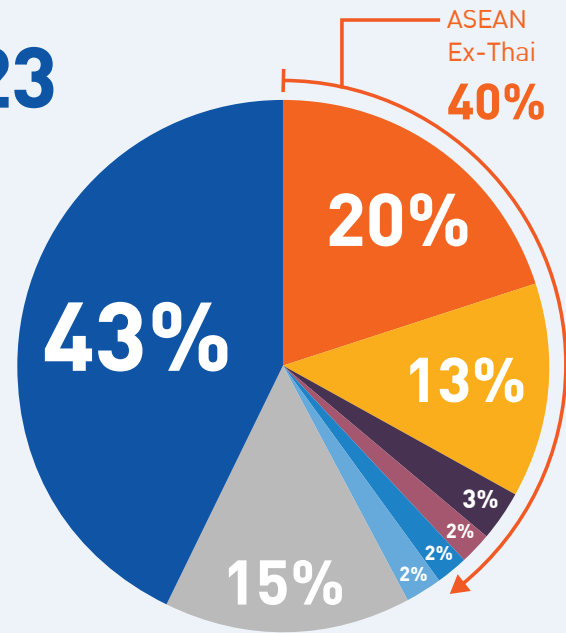
The chart below shows the location of the Company's production facilities and sales offices as at December 31, 2021.



## Consolidated sales by end destinations

Baht million  
**124,223**

The majority of our customers are in ASEAN. For the year ended December 31, 2021, revenue from sales from customers located in Thailand accounted for 43% of revenue from sales, followed by Indonesia at 20%, Vietnam at 13% and the Philippines at 3% respectively. The Company's revenue from sales was Baht 124,223 million.



### Thailand

SCGP started its business in Thailand in 1975. Currently, the Company has 22 recycling centers, 4 packaging paper facilities, 15 corrugated container facilities, 1 corrugated containers printing facility, 5 PPP facilities and 3 production facilities for Fibrous Business. This includes SCGP Inspired Solutions Studio, the Company's integrated product design and development center that is also located in Thailand.

### Vietnam

SCGP first entered the Vietnamese market through the establishment of its joint venture with Rengo and VKPC in 2007 to produce

packaging paper. Currently, SCGP has 1 packaging paper facility, 6 corrugated containers facilities, 6 PPP facilities, and 2 foodservice packaging facilities. Besides these facilities, the Company has 24 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 and 2 packaging paper facilities.

### The Philippines

SCGP first entered the Philippines market in 1996 through the

acquisition of UPPC, a packaging paper manufacturer. Currently, the Company has 1 packaging paper facility and 27 recycling centers.

### Malaysia

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

### United Kingdom

In 2021, SCGP acquired shares in Go-Pak, a leading foodservice packaging solutions providers in the United Kingdom and North America, with its headquarter in Bristol, UK and 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.



# Industry Trends and Competitive Landscape

## 1) Industry Trends

### Industry Trends for Integrated Packaging Business

In 2021, the demand for corrugated containers increased by 3% compared to the previous year, still higher than the country's GDP. Despite the decline in overall domestic consumption in the third quarter due to the new wave of COVID-19 infection, the government's pandemic suppression measures, which affected consumer confidence and spending, the temporary closure or deployment of the Bubble & Seal program by the manufacturing sector to contain the spread, and the supply chain disruption situation. But the Government's economic stimulus campaign and higher demand from export sector from the economic recovery of the main trading partners in North America and Europe has helped supporting the economic situation. This resulted in the increase in overall domestic corrugated containers demand compared to the previous year.

The food industry continued to grow well in 2021 at the rate of approximately 4-6% compared to the previous year, due to the improved situations in the major trading partner countries. Furthermore, the COVID-19 pandemic sparked an enormous growth for industries that aligns with new requirements for the "New Normal" lifestyle, such as pet food, rubber gloves, E-commerce and food delivery, with the growth

rate of approximately 7-20% compared to the previous year, while corrugated containers demand in some other industries grew at low level. For example, alcoholic beverage industry due to the government's ban on sale and consumption in restaurants, or electrical appliance and electronics and automobile industries due to the shortage of imported raw materials.

In the ASEAN market, although affected by the COVID-19 pandemic situation similar to Thailand, demand for corrugated containers in Indonesia in 2021 still grew 4% from last year as the economic growth recovered from 2020. The government also loosened the COVID-19 restrictions in many areas, resulting in higher corrugated containers demand, especially for consumer goods, exported footwear and textile industries.

Meanwhile, corrugated containers demand growth in Vietnam slowed to 2% from 2020 because of the strong effects of COVID-19 pandemic in 2021. The government's enforcement of the strict lockdown measures created an adverse impact on domestic consumption, production capacity especially in export industry, and transportations in many industries.

Uncertainties around the COVID-19 pandemic, both domestic and abroad, are likely to continue for the time being and remain difficult

to call for certain outcomes, which could be both opportunities and challenges for SCGP.

### Industry Trends for Fibrous Business

- **Pulp**

In 2021, the global demand for bleached chemical pulp increased 5% from 2020. This demand was supported by China, the United States and Europe which started to recover from the COVID-19 pandemic and led to an increased demand for pulp from the paper and packaging manufacturers. Demand from tissue paper manufacturers also continued to grow. Dissolving Pulp demand increased 14% from the previous year due to the rise in demands from rayon manufacturers, which is the downstream industry of the dissolving pulp.

- **Printing and Writing Paper**

In 2021, demand for printing and writing paper in Thailand dropped 18% compared to the previous year, still getting impacted by the COVID-19 pandemic that has started in 2020. Companies, offices and consumers have changed their lifestyles, switched their main working formats, and purchased services to online channels. In addition, electronic media continued to increasingly replaced the use of printing and writing paper, while the

government has launched its Zero Copy Policy and Thailand 4.0 Policy, which directly caused the decline in printing and writing paper demand.

The volume of imported printing and writing paper in 2021 increased by 15% due to the improved international logistics condition compared to 2020, but the overall import volume still did not yet recover to the pre-pandemic level.

## 2) Competitive Landscape

### Fiber-based Packaging and Paper Packaging

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

In terms of production capacity of packaging paper, SCGP has a total capacity of 4.36 MT, helping it hold a significant market share in ASEAN and be the industry leader.

SCGP also has its own recycling centers that collect RCP in Thailand, Vietnam, and the Philippines for efficient RCP collection and recycling in these countries. These recycling centers exhibit another advantage for the Company as RCP is an important

raw material in the packaging paper production process. This helps increase the cost advantage and allows the Company to stabilize its raw material demand.

As a vertically integrated packaging company in ASEAN, SCGP has the distinct advantages to leverage 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 number one paper packaging solutions provider in ASEAN. SCGP is the only company that has presence in all four countries – Thailand, Indonesia, Vietnam and the Philippines – whereas most of the other players are present in a single country only.

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

### Performance and Polymer Packaging

In the ASEAN packaging market, SCGP has the advantage of being a packaging operator that offers both paper packaging solutions

and polymer packaging solutions. Although it doesn't hold the same market share in this region compared to other paper packaging businesses, 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 polymer packaging market is highly dispersed and relies on product pricing. As there are many small and medium-sized enterprises within the country, the industry is highly competitive. The Company has the advantage of supplying polymer packaging products to major brands in the region and 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 the level of competition between different operators in the industry.

In addition, SCGP set a footprints in medical supplies and labware segment by acquired Deltalab with market presence in Spain. This aligns with the growing consumers' trend of healthcare and wellbeing 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-based Packaging

The Company's production plants are located in different areas that are close to our customers' factories. The proximity of factories to customers is one of our strengths. SCGP has strategies which can assist our customer 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 in distance). 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. The proximity of factories to customers allows us to provide services to efficiently assist them in their production process. For instance, the Company offers just-in-time delivery, inventory management services, and vendor managed inventory (VMI)

Nowadays, the majority of customers are Multinational Corporation (MNC) that have similar systems of procurement, 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. In order to efficiently respond to such customers' needs, the Company established a dedicated team specifically to handle MNCs. In order to respond to our customers' 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 rapidly provide services to MNCs located in different regions. The procurement team develops new customer relations leveraging the knowledge and experience it has gained from providing services to its customers in Thailand and 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. With regards to exports, the Company sold 56% of exported packaging paper (based on sales volume) through direct sales and the other 44% through agents. As packaging paper is a business-to-business (B2B) commodity, the marketing policy for packaging paper includes offering reliable quality, timely delivery, giving discounts and rebates at certain sales volumes, special projects or new customers.

### Performance and Polymer 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, Taiwan, and other countries which accounted for 85% of PPP sales (based on sales volume). Sales through agents and traders accounted for 15% of PPP sales (based on sales volume). The distribution channels for the Company's medical supplies and labware products are direct sales and through agent to customers in Europe and other countries across the world.

### Foodservice packaging

SCGP sells foodservice packaging relying on production and supply of Go-Pak and IPSB. Also, it manufactures and sells products under the Fest<sup>®</sup> brand.

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; while for those manufactured by IPSB, the Company has strong ongoing relationships with and direct exposure to major restaurant and fast-food chains. To attract new customers, IPSB participates in bidding for regional accounts of leading restaurants and fast food chains.

SCGP sells Fest<sup>®</sup> foodservice packaging primarily in Thailand (85% of sales of such products, based on sales volume) to wholesale retailers (customers that are retailers who operate a cash and carry business model) and wholesale and retail store. Products under the brand are also sold directly via online and offline channels to restaurant networks in Thailand (10% of sales of such products, based on sales volume), and overseas through agents (5% of sales of such products, based on sales volume).



Additionally, 77% of foodservice packaging paper, based on sales volume, is sold to domestic and international customers through agents. The Company uses most of the food packaging paper produced internally to manufacture foodservice packaging.

### Pulp and Paper Products

For printing and writing paper business: (1) The Company sells graphic paper either directly to printing houses (44% of sales, based on sales volume) or through agents (56% of sales, based on sales volume). (2) The Company sells copy paper through retailers operating a cash and carry model and other retail and wholesale stores (93% of sales, based on sales volume) and through direct sales via online and offline channels (7% of sales, based on sales volume). With regard to pulp, the Company directly sells it to our contract parties and customers within the country and overseas; the sales of pulp to the external customers are accounted for 27% of sales, based on sales volume. The Company also trades eucalyptus pulp within group companies.

### Targeted Customers

#### Fiber-based Packaging and Performance and Polymer Packaging

SCGP has developed long-term relationships with many of the 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 and MNCs as well as individual retailers in the ASEAN region. Our customers comprise a diversified mix of well-established global, regional

and leading local companies. Customers of fiber-based packaging are principally in the food & beverage, consumer products, frozen food, electronic appliances, canned food and E-commerce industries. Those of performance and polymer packaging operate in the food, personal care, cosmetics, pharmaceutical, chemicals, and industrial products sectors. The majority of PPP products are used for food and consumer products packaging.

As the Company's major customers are MNCs, they are highly sophisticated companies with changing needs and requirements. These customers tend to 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 customers' requirements, has more channels of distribution as well as more cross-selling opportunities.

The Company estimates that approximately 71% of SCGP's revenue from sales for the year ended December 31, 2021 (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

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

### Foodservice Packaging

In 2021, the main Go-Pak's customer bases are 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 and food catering service providers.

With regard to IPSB, the customers are mainly well-known fast food chains inside and outside Malaysia. IPSB also exports products to fast food chains in Japan and South Korea.

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

With respect to food packaging paper, our customers are the company which operates the process of converting paper into foodservice packaging.

### Pulp and Paper Products

Customers of the Company's printing and writing paper are mostly printing houses in Thailand and agents.

With regards to pulp, our targeted customer groups are mainly tissue mill operators, for domestic sales, and fiber manufacturers for rayon industries in China, for overseas sales. Moreover, the Company sells virgin pulp to our subsidiaries and uses pulp for manufacturing Fest® and printing and writing products.

## Product or Service Provisions

### Production Factories and Production Capacity

SCGP has a total of 56 production facilities located in Thailand, Vietnam, Indonesia, the Philippines, Malaysia and Spain.

Products or services	Production capacity	
	Amount	Unit
1 Fiber-based Packaging	1,440,400	tons per year
2 Packaging Paper	4,363,000	tons per year
3 Flexible Packaging	901	million square meters per year
4 Rigid Packaging	143,000	tons per year
5 Foodservice Packaging	60,950	tons 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

### Raw Materials

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

### Raw Materials Used in Fiber-based Packaging

The most important raw material for the manufacturing of fiber-based products is RCP (which is later converted into 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 2021, the Company recycled approximately 4.4 MT of RCP, which accounted for approximately 95% of the pulp needed in packaging paper production. 53% of the RCP intake was sourced from our 73 region-wide recycling centers (22 in Thailand, 24 in Vietnam and 27 in the Philippines) and locally within ASEAN while the rest 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 hypermarket chain, the Company has been authorized to put our recycling center with baling

machines at their distribution center, which generated considerable amounts of used corrugated containers. The Company also collects RCP from our own and third-party corrugated container plant, which generated during the trimming of corrugated containers. Additionally, the Company seeks to facilitate the collection of RCPs through mobile application “SCGP Recycle” which was 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 facilitates its users in many ways, in example, RCP sellers may call collection trucks, generate reports and receive payments for their RCP or converts the RCP values to other SCGP products such as Idea Green paper or joins CSR programs. It also cooperates with leading partner organizations in providing drop points to respond

to consumers' dedication to take 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 requirement is very important in our operations. Given a scale and many years of experience in running recycling centers, the Company has established strong local networks in various locations and long-standing relationships with our RCP supplier. This allows us to have quality RCP, reliable supply and stable cost. 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.

#### **Starch**

Starch is used to enhance the strength of packaging paper which is procured mostly from local sources in each of the countries 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 for 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, 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 into paper production to strengthen our packaging paper products. The virgin pulp used by the Company is made from wood chips that are

either sourced from our eucalyptus plantation, or our network of third-party farmers, or from importation from overseas market. All the imported pulp shall be certified by the Forest Stewardship Council (FSC).

#### **Raw Materials Used in the Production of PPP Products**

The most important raw materials for PPP are polymer resins and polymer-based film. 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**

Polymer resin is a key component of PPP products, constituting approximately 30 - 40% of the total variable costs that the Company used in PPP products 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 different properties and characteristics. The Company also uses recycled resins upon our customer's request. Some of our rigid packaging customers request to mix recycled resins to manufacture packaging products for them.

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

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

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

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

#### **Wood chips**

SCGP sources all of wood chips and wood (which the Company later converts into wood chips itself) from Thailand. Sourcing wood chips begins with our forestry plantations and purchases from farmers in Thailand. The Company's subsidiary, Siam Forestry (SFT), is a wood plantation company that develops and produces eucalyptus trees in different areas across Thailand. Siam Forestry is the first wood plantation company in Thailand to support the paper manufacturing process with plantation areas certified by the FSC. It develops and produces seedlings in tissue culture so that growth is consistent and immune to mutations. Our seedlings are high-yielding. The Company distributes young eucalyptus trees and seedlings to third party farmers throughout Thailand (the farmer network), especially those in the vicinity of 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, which is capable of growing in diverse climate and soil profiles.

Normally, the Company sources wood chips approximately 40% of total wood supply from its own plantations and contract farmer network located throughout Thailand. It procures the rest from general farmers who have wood plantations throughout Thailand.

The Company use its wood chips and procure wood from third-party farmers for the production process, it also procures wood chips from third parties to source excess raw wood materials. Moreover, the Company sells small wood chips for biomass power plants, and other sizes of wood chips to buyers in Japan and China.

### Research and Development Policy

Research and development (R&D) is a key part enabling SCGP to be a leading integrated packaging solutions provider in the ASEAN region. The Company is committed to deliver high-quality total packaging solutions to customers by offering various innovative packaging products, services, and solutions that enhance customer's brand image and their total supply chain operation. SCGP also complies with principles of Circular Economy with the aim 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 development of new products and services and improvement of quality and production steps in order for it to be able to continuously offer high-quality packaging solutions, as well as offer solutions which address customers' unique and specific needs. In 2021, the Company invested in development of innovations, industry and opportunities to create new businesses with technologies in the amount of Baht 958 million equivalent to 0.8% of total revenues. Its R&D Department under the Innovation and Product Development Center had spent Baht 230 million in the Innovation Platform, which can be separated

into 14 categories to create products and services that match customers' demands.

1. Biotechnology
2. Pulping and bleaching technology
3. Nanotechnology
4. Fiber sciences and engineering
5. Enhancer, starch, filler, and adhesive
6. Paper making technology
7. Ink and printing technology
8. Corrugated and box manufacturing technology
9. Polymer science
10. Coating and surface modification technology
11. Modified atmosphere packaging technology for food preservation
12. Measuring technology, development of testing methods, and analysis of the structure and properties of materials and other characteristics
13. Recycling and de-inking technology
14. Alternative energy and green technology



# Assets Used in Business Operations

## Major Fixed Assets Used in Business Operations

As at December 31, 2021, Major fixed assets used in business operations of the Company and its subsidiaries set forth in the following table, consisting of land and land improvement, buildings and structures, machinery and equipment, furniture and office equipment, vehicles, construction in progress, and bearer plant.

Item	Net book value (Baht million)	Ownership type	Encumbrance
Land and land improvements	7,930	Ownership rights of possession (Nor Sor 3 Kor) and HGB Certificate <sup>(1)</sup>	No obligations, except some land and land improvements <sup>(2)</sup>
Buildings and structures	11,860	Owned	No obligations, except some buildings and structures <sup>(2)</sup>
Machinery and equipment	63,219	Owned	No obligations, except some machinery and equipment <sup>(2)</sup>
Furniture, fixtures and office equipment	385	Owned	None
Transportation and equipment	312	Owned	None
Construction in progress <sup>(3)</sup>	9,601	Owned	None
Bearer plant	41	Owned	None
Right-of-use assets	3,833	Leased	None
<b>Total</b>	<b>97,181</b>		

### Remarks:

<sup>(1)</sup> The HGB Certificate of the Right to Build is a form of land title in Indonesia.

<sup>(2)</sup> In 2021, subsidiaries of the Company used some assets as collateral for the loan. The Company is now in the process of releasing of mortgage.

<sup>(3)</sup> Construction in progress mainly consists of machinery and equipment related to the expansion of production capacity of corrugated packaging paper (containerboard) in the Phillipines, and investments made to improve production efficiency.

## Right-of-use Assets

As at December 31, 2021, right-of-use assets of the Company and its subsidiaries have a net book value of Baht 3,833 million. Details are given in the table below.

Item	Ownership type	Net book value (Baht million)
Land and land improvements	Leased	2,018
Buildings and structures	Leased	1,230
Machinery and equipment	Leased	136
Furniture, fixtures and office equipment	Leased	43
Transportation and equipment	Leased	406

## Intangible Assets

As at December 31, 2021, intangible assets of the Company and its subsidiaries which operate the main business consist of the following:

Item	Net book value (Baht million)	Details
Goodwill	29,483	Goodwill from acquisition
Customer contracts and relationship	4,720	Intangible assets related to customers, such as customer list, purchasing orders
Trademark, Technology licenses and patent	2,381	Products design patents, Technology licensing, and trademarks
Software licenses and others	649	Installation cost and the right to use computer software
<b>Total</b>	<b>37,233</b>	

## Intellectual Property

### Trademarks

As at December 31, 2021, SCGP owns and is licensed to use 119 trademark applications that are registered with the Ministry of Commerce in Thailand, with 93 of such trademark being fully registered (including trademarks that are in the process of renewal), and 111 trademark applications that are registered with foreign agencies, with 24 of such trademark being fully registered. The Company has a policy to register and maintain trademarks in every country where the Company operates.

### Patents and Petty Patents

As at December 31, 2021, SCGP has registered 71 patents and petty patents with the Ministry of Commerce in Thailand and has registered 6 patents with foreign agencies, including 2 invention patents and 4 product design patents. Also, 129 patents and petty patents are in the registration process for both Thailand and abroad.

### Business and Property Insurance Used in Business Operations

SCGP has an insurance policy that protects assets at an appropriate level and that is in line with industry practices. The Company has a policy to renew insurance policies upon the expiration of such insurance.

### Investment Promotion Benefits

As at December 31, 2021, SCGP has entitled to incentives from 30 investment promotion certificates from Thailand's Board of Investment.

## Shareholders

### Company's Shareholders

Shareholding structure of the Company as at December 31, 2021 is shown in the table below.

	Major Shareholders	Number of shares (registered and paid-up capital)	Shareholding (%)
1	The Siam Cement Public Company Limited	3,095,882,660	72.12
2	Thai NVDR Company Limited	173,579,410	4.04
3	Ladawan Capital Company Limited	71,498,900	1.67
4	Social Security Office	44,872,386	1.05
5	Mr. Narat Jivalai	40,615,000	0.95
6	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	39,472,076	0.92
7	STATE STREET EUROPE LIMITED	29,374,823	0.68
8	THE BANK OF NEW YORK MELLON	19,356,100	0.45
9	Mr. Taweerat Prungpattanasakul	15,800,000	0.37
10	Mrs. Woraphan Chuengsap-Paisan	14,200,000	0.33

**Remark:**

The total share numbers hold by other minor shareholders are 748,268,845, equivalent to 17%.

### Shareholders of Subsidiaries Operating the Main Business

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

	Shareholder	Number of shares (shares)	Shareholding (%)
1	SCGP	9,687,999	70.0
2	Rengo Co., Ltd. (RENGO)	4,152,000	30.0
3	Mrs. Pattarawan Tunsakul	1	0.0
	<b>Total</b>	<b>13,840,000</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 Public 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>

**Remarks:**

<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 Tangwiriyaipaboon	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 Intercipta 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 3 main businesses: cement and building materials, chemicals and packaging. These businesses are operated by the group of companies. 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 recycled waste paper.

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

As of December 31, 2021, 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 par value of Baht 1 per share.

### **Issuance of Other Securities**

SCGP issued the first debenture No. 1/2564 to public offering on April 1, 2021 in the amount of not exceeding Baht 5,500 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). This offering approved by the extraordinary general shareholders' meeting No. 2/2019, held on November 25, 2019 in the purpose to refinancing existing term loans from financial institutions.

### **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, which states that a public limited company will be able to pay dividends if there is no accumulated loss shown on its separate financial statements.

SCGP's policy is to pay dividends of not less than 20% of the net profit according to the consolidated financial statements, after deducting corporate income tax and legal reserves as required by law and the Company for each year. The dividend payment rates may vary depending on the operating results, financial structure, financial position, liquidity, additional investment needs, investment plans, business expansion, cash reserves for working capital or loan repayments, including the conditions and limitations as stipulated in any loan agreements,

and other factors related to the Company's management.

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

### **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 Board of Directors of the subsidiary can approve from time to time if the Board believes that the subsidiary has sufficient profits to do so under the legal framework of the country in which the subsidiary or associated company is located. In addition, the Board of Directors of the subsidiary must report the decision at the next shareholders' meeting of the subsidiary. When considering the dividend payment, the Board of Directors of the subsidiary 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.

## Investment in Subsidiaries and Associates

As at December 31, 2021, the Company has investments in 16 subsidiaries and associates directly held by the Company, with the total investment of Baht 40,927 million, recorded by the cost method. Details of the investments are presented in the notes of SCGP's financial statements for the year 2021 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	Facsimile	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (Percent)
<b>Subsidiaries</b>										
<b>Fiber-based Packaging</b>										
1	Thai Containers Group Co., Ltd.	Fiber-based Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 5991	0 2586 4723	Ordinary Shares	1,384	13,840,000	9,687,999	70.00
2	Thai Containers Khonkaen Co., Ltd.	Fiber-based 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-based 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-based Packaging	599 Mu 4, Phatthana 1 Road, Phraek Sa Sub-district, Mueang Samut Prakharn District, Samut Prakharn Province	0 2324 0781	0 2324 0079	Ordinary Shares	300	3,000,000	-	50.40
5	Orient Containers Co., Ltd.	Fiber-based Packaging	12/5, 12/8 Moo 8, Soi Lab Khlong Chonprathan Suan Som, Rama II Road, Ban Kho Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province	0 3488 3422-4	0 3488 3421	Ordinary Shares	260	26,000,000	-	70.00
6	Dyna Packs Co., Ltd.	Fiber-based Packaging	297/2 Moo 2, Soi Wiroonrat, Setthakit 1 Road, Om Noi Sub-district, Krathum Baen District, Samut Sakhon Province	0 2810 9346-7	0 2810 9103	Ordinary Shares	90	900,000	-	70.00
7	D-In Pack Co., Ltd.	Fiber-based Packaging	58/2 Moo 6 Phra Prathon-Ban Phaeo Road, Talat Chinda 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-based 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-based Packaging	No. 7, Street 6, Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	(84) 0650 374 3031	(84) 0650 378 2816	**	607	-	-	70.00
10	Packamex (Vietnam) Co., Ltd.	Fiber-based 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-based 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

Name	Principal Business/ Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (Percent)
12 PT Primacor Mandiri	Fiber-based Packaging	Jl. Raya Serang KM 13.8, 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 Indoris Printingdo	Fiber-based Packaging	Jl. Raya Serang KM 18.8, Sukanegaka 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 Indocorr Packaging Cikarang	Fiber-based Packaging	Jl. Industri Selatan 2 Block LL-3, Jababeka Industrial Estate Cikarang, Pasisir Village, South Cikarang Sub-district, Bekasi Regency, Indonesia	(62) 21 893 6868	(62) 21 893 6565	Ordinary Shares	308	503,167	-	69.99
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-based Packaging	30/139 Moo 1, Sinsakhon Industrial Estate, Khok Kham Sub-district, Mueang Samut Sakhon District, Samutsakhorn 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	2,756	123,742,000	-	70.00
18 Bien Hoa Packaging Joint Stock Company	Fiber-based Packaging	Street7, 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 TCG Rengo (S) Limited	Fiber-based Packaging	21, Fourth Chin Bee Road, Singapore	(65) 6261 5846	(65) 6265 3144	Ordinary Shares	56	2,400,000	-	70.00
20 PT Indonesia Dirlajava Aneka Industri Box	Fiber-based 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
21 PT Bahana Buana Box	Fiber-based 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
22 PT Rapi-pack Asritama	Fiber-based Packaging	Kawasan Bekasi International Industrial Estate (BIE) 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>									
23 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
24 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
25 Thai Cane Paper Public Company Limited	Packaging Paper	222 Moo 1, Saeng Xuto Road, Wang Khanai 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
26 United Pulp and Paper Co., Inc.	Packaging Paper	9 <sup>th</sup> Floor, Fort Legend Tower, 3 <sup>rd</sup> Avenue corner 31 <sup>st</sup> Street, Bonifacio Global City, Taguig City, the Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	1,462	199,824,043	109,995,290	74.77
					Preference Shares	4,105	1,107,746,820	648,244,594	-

	Principal Business/ Products	Name	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (Percent)
27	SCGP Solutions (Singapore) Pte. Ltd.	8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	21,736	962,381,330	99,000,000	100.00	
28	PT Fajar Surya Wisesa Tbk	Jl. Abdul Muis 30 Jakarta Pusat 10160, Indonesia	(62) 21 344 1316	(62) 21 345 7643	Ordinary Shares	2,713	2,477,888,787	-	55.24	
29	PT Dayasa Aria Prima	Jl. Abdul Muis 30 Jakarta Pusat 10160, Indonesia	(62) 21 344 1316	(62) 21 345 7643	Ordinary Shares	2,026	935,234,500	-	55.24	
30	SCG Paper Energy Co., Ltd.	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	890	8,900,000	8,899,998	100.00	
<b>Performance and Polymer Packaging</b>										
31	SCGP-T Plastics Co., Ltd.	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	386	3,859,000	1,968,124	51.00	
32	Conimex Co., Ltd.	40 Moo 12, Soi Sahamit 2, Sukhumvit 77 Road, Sisa Chorakhe Noi Sub-district, Bang Sao Thong District, Samut Prakan Province	0 2738 0305	0 2326 6275	Ordinary Shares	420	4,200,000	-	38.25	
33	SCGP Rigid Plastics Co., Ltd.	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	4,403	62,400,000	62,399,998	100.00	
34	Visy Packaging (Thailand) Limited	500/54 Moo 3 Hemaraj Eastern Seaboard Industrial Estate (Freezone), Pluak Daeng District, Rayong Province	0 3895 8200	0 3895 0078	Ordinary Shares	497	4,972,000	-	100.00	
35	TC Flexible Packaging Co., Ltd.	1 Siam Cement Road, Bangsue, Bangkok	0 2586 5991	0 2586 4723	Ordinary Shares	2,108	21,079,194	-	52.50	
36	Prepack Thailand Co., Ltd.	30/145 Moo 1, Khok Kham Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province	0 3444 0600-5	0 3444 0606-7	Ordinary Shares	322	3,220,000	-	52.38	
					Preference Shares	90	900,000	-	-	
37	Tin Thanh Packing Joint Stock Company	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	
38	SCGP Rigid Packaging Solutions Pte. Ltd.	8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	2,732	125,000,000	125,000,000	100.00	
39	Duy Tan Plastics Manufacturing Corporation Joint Stock Company	298 Ho Hoc 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	
40	Duy Tan Long An Co., Ltd.	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	
41	Duy Tan Precision Mold Co., Ltd.	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	
42	Duy Tan Binh Duong Plastics Co., Ltd.	Lot B1-B2, Viet Huong 2 Industrial Zone, An Tay Ward, Ben Cat District, Binh Duong, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	118	-	-	70.00	

Name	Principal Business/ Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (Percent)
43 Mata Plastic Co., Ltd.	Rigid Packaging	602 Tran 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
44 International Healthcare Packaging Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3,361	33,610,000	33,609,998	100.00
45 Deltalab Global, S.L.	Holding Company	Plaza Vermeda, número 1, Poligono Industrial la Llana, 08191, Rubi, Barcelona, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	200	5,281,554	-	85.00
46 Deltalab, S.L.	Medical Supplies and Labware	Plaza Vermeda, número 1, Poligono Industrial la Llana, 08191, Rubi, Barcelona, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	141	3,721,848	-	85.00
47 Keylab, S.L.U.	Medical Supplies and Labware	Plaza Vermeda, número 1, Poligono Industrial la Llana, 08191, Rubi, Barcelona, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	2	53,940	-	85.00
48 Nirco, S.L.	Medical Supplies and Labware	Calle Puerto de Navafria, no. 12, 28935 Móstoles, Madrid, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	40	175,246	-	85.00
49 Envases Farmaceuticos, S.A.	Medical Supplies and Labware	Poligono Industrial Igarza, 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
50 Equilabo Scientific, S.L.U.	Medical Supplies and Labware	Calle Neptuno, no. 59-Poligono 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
51 Sanilabo, S.L.U.	Medical Supplies and Labware	Calle San Roque 30, bajo B, 46910 Benetússer, Valencia, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	0.2	6,010	-	85.00
<b>Pulp and Paper Products</b>									
52 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	2,365	236,474,780	164,506,148	69.58
53 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
54 Go-Pak UK Limited	Foodservice Packaging	30-31, St. James Place, Mangotsfield, Bristol, United Kingdom	(44) 1454 285400	(44) 1454 285401	Ordinary Shares	318	7,800,200	-	100.00
55 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
56 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
57 Phoenix Utilities Co., Ltd.	Utilities	99 Moo 3, Kut Nam Sai Sub-district, Nam Phong District, Khon Kaen Province	0 4343 3104-6	0 4343 3101	Ordinary Shares	1,500	15,000,000	-	69.58
58 Interpress Printers Sendirian Berhad	Foodservice Packaging	No. 1 Jalan Taylor's, 47500 Subang Jaya, Selangor Dural Ehsan, Malaysia	(603) 5542 1716	(603) 5542 1703	Ordinary Shares	384	47,478,796	-	68.30
					Preference Shares	225	28,000,000	-	

Name	Principal Business/ Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (Percent)
59 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
60 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
61 Suampa Rungaris Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
62 Panas Nimit Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
63 Thai Panaboon Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3	30,000	-	69.58
64 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
65 Thai Panadom 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 Panason Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
67 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>Other Companies</b>									
68 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
69 Invenique Co., Ltd.	Asset and Intellectual Property Management Service	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	107	1,067,000	1,066,998	100.00
70 United Industrial Energy Corporation	Holding Company	166 Salcedo St. Legaspi Village, Makati City, Mcto Manila, the Philippines	0 2586 3333	0 2586 2164	Ordinary Shares	0.2	-	-	74.77
<b>Associates</b>									
71 Siam Toppan Packaging Co., Ltd.	Fiber-Based Packaging	543 Moo 4, Phraeksa Sub-district, Mueang Samut Prakan District, Samutprakram Province	0 2709 3110-7	0 2324 0336	Ordinary Shares	500	5,000,000	2,450,000	49.00
72 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, the Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	263	27,650,000	11,059,998	40.00
73 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
74 Sahagreen Forest Co., Ltd.	Energy And Utilities	88 Moo 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

\*Directly and indirectly holding through the company, subsidiaries, associates and other companies.

\*\*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.



SCGP provides products, services, and solutions to fulfill consumers' real-life applications. Daily life is easier and more convenient than ever.



# Risk Management

In the midst of the COVID-19 challenges, SCGP emphasizes the importance of risk management by conducting our business in line with the sustainable development goals and practices, involving Environmental, Social and Governance (ESG).

This is to encourage the business' stable growth, accomplish stable financial position, and yield appropriate returns to the shareholders. For this reason, the Board of Directors has established the Risk Management Policy to ensure that there is an efficient and effective Enterprise Risk Management System that covers all aspects of our

operation and the risk management framework that is in accordance with good international practices. The Risk Management Committee is responsible for developing mitigation plan for all strategic, operational and investment project risks. The committee is also responsible for promoting risk management knowledge sharing among employees on a regular basis and establishing risk mitigation plans to control risk at an acceptable level.

## Risk Management Policy

SCGP establishes risk management processes that follow international standards and integrates it into our business operations. This allows the Company to identify risks or opportunities appropriately and in a timely manner, mitigate risks to an acceptable level or explore opportunities that can add

value to the business to achieve the determined 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 2021 and the Company's website ([www.scgpackaging.com](http://www.scgpackaging.com)).

## Risk Management Framework

SCGP has implemented 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 consists of areas discussed in the sections below.



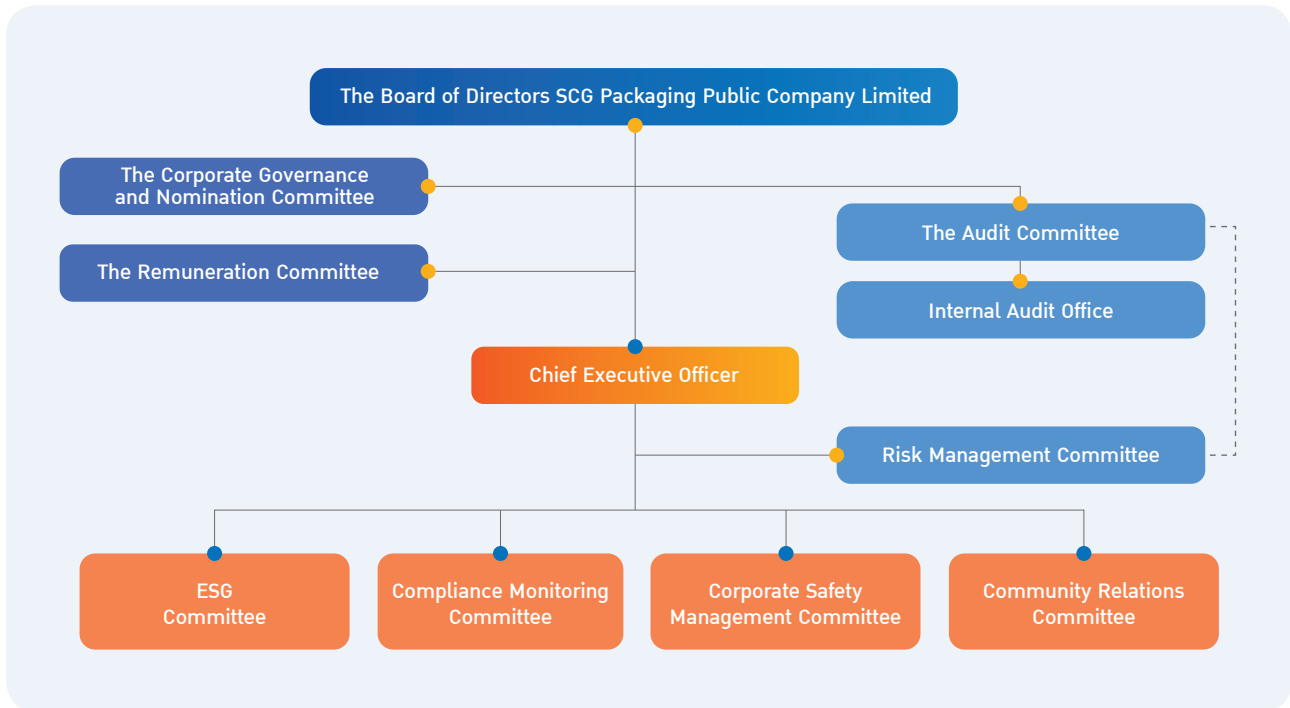


## 1. Strategy Establishment

SCGP establishes explicit risk management objectives and risk appetite by considering Immediate risk, Intermediate risk, Strategic risk, Investment project risk and risks specific to current situation such as IT risk.

## 2. Risk Management Structure and Responsibilities

SCGP establishes a risk management structure as illustrated below:



### 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 the effective implementation of appropriate 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.

### 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:

- Define the risk management structure and identify responsible persons.
- Consider and approve risk management strategies, framework, and plans.
- Review risk profile and monitor risk management practices of the entire organization.
- Report the risks and the risk management to the Audit Committee.



### 3. Risk Management Process

SCGP has adopted the risk management framework for strategic, operational and investment project risk management. The risk management process is included in the Risk Management Manual and comprised of 4 steps:

- (1) Risk/Opportunity identification
- (2) Risk assessment
- (3) Establishing risk response, Key Risk Indicators and Key Performance Indicators – both leading and lagging – to anticipate risks and manage risk levels so they are in line with targets,

- (4) Risk reporting to the Risk Management Committee prior to the Audit Committee on a quarterly basis to consider Immediate risk, Intermediate risk, Strategic risk and Investment project risk, as well as risks specific to current situation such as IT risk.

### 4. Building a Corporate Risk Culture

SCGP realizes that a corporate culture is an essential component to 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 each risk owner
- Encouraging that risk management be one of the agenda in key meetings of each subsidiary
- Designating risk management as a component of employee training and development programs
- Encouraging experience sharing across departments and subsidiaries to continually communicate the benefits of risk management.

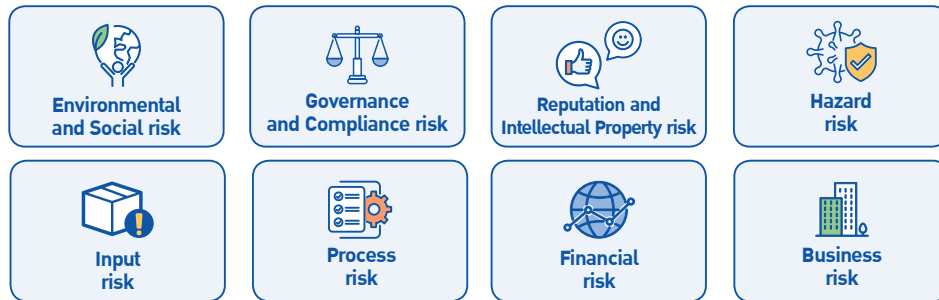
## Risk Factors and Risk Management

SCGP assesses significant risk events and created mitigation plans for immediate risk, intermediate risk, strategic risk, investment project risk and risks specific to

current situation such as IT risk. In addition, the company also assesses emerging risk and investment risk associated with investment of the securities holders. The risk assessment covers the following categories: Environmental and

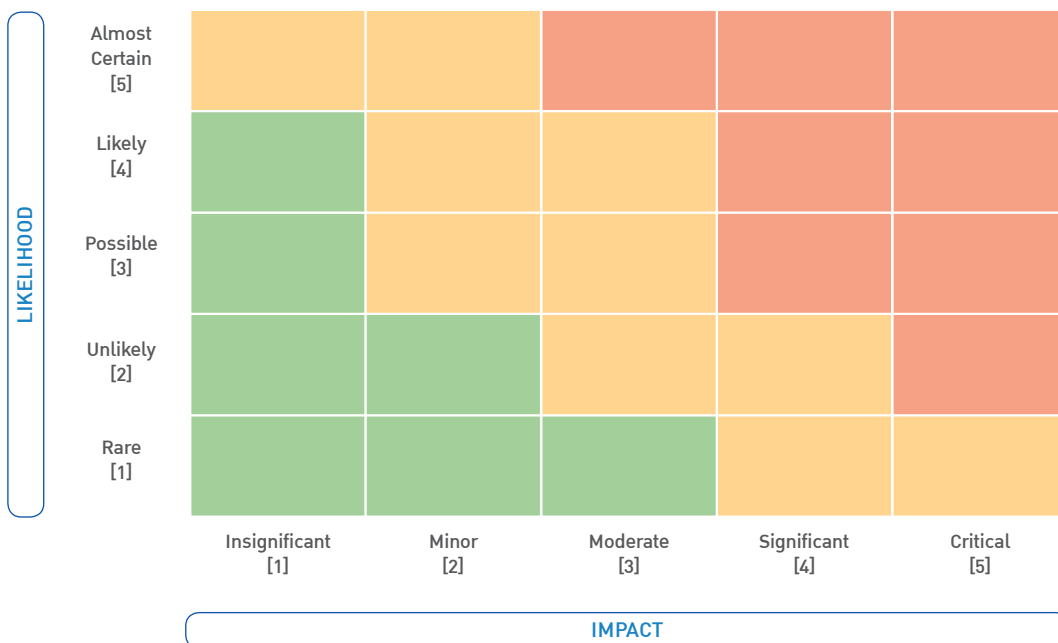
Social risk, Governance and Compliance risk, Reputation and Intellectual Property risk, Hazard risk, Input risk, Process risk, Financial risk and Business risk.

## Risk Universe

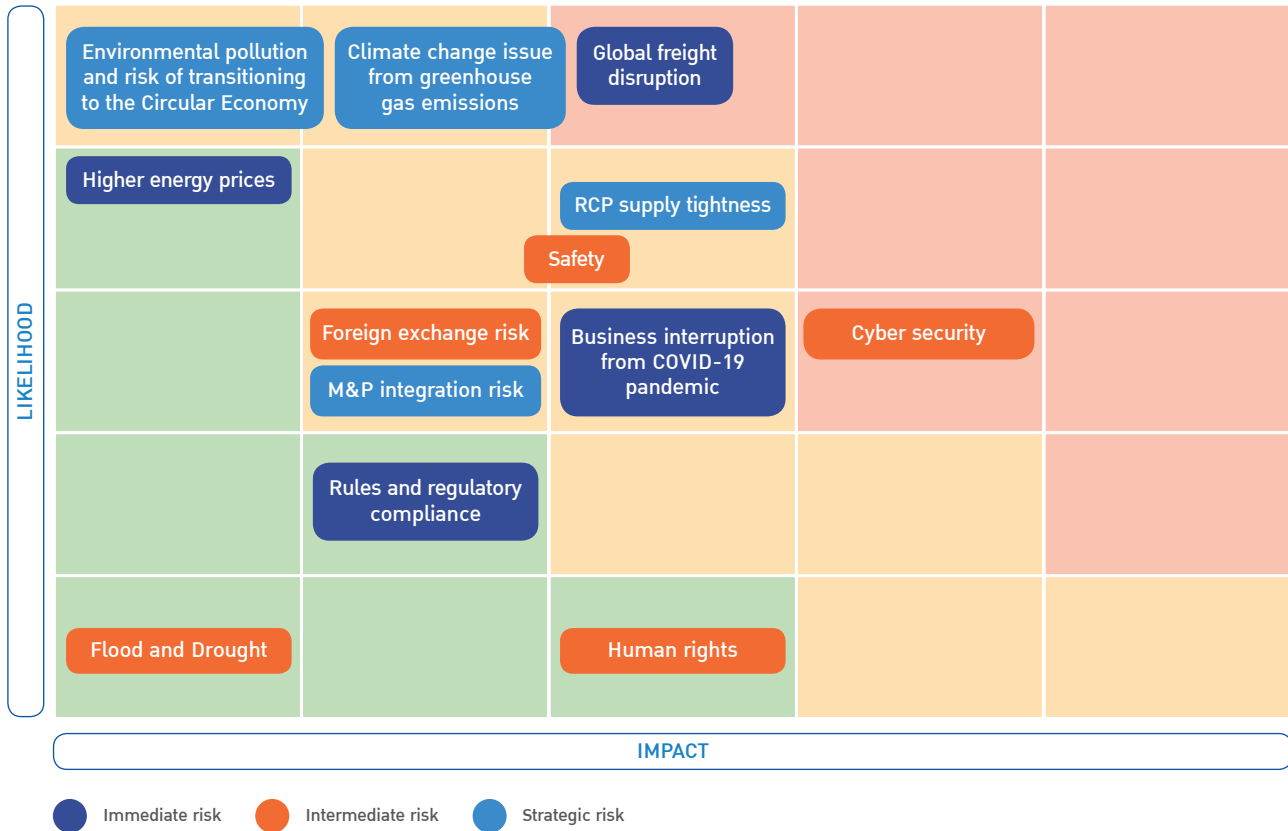


The risk assessment process considers likelihood and potential impact of each risk, and then prioritizes them by dividing into three levels: high level, medium level, and low level.

## The diagram of the Company's risk levels

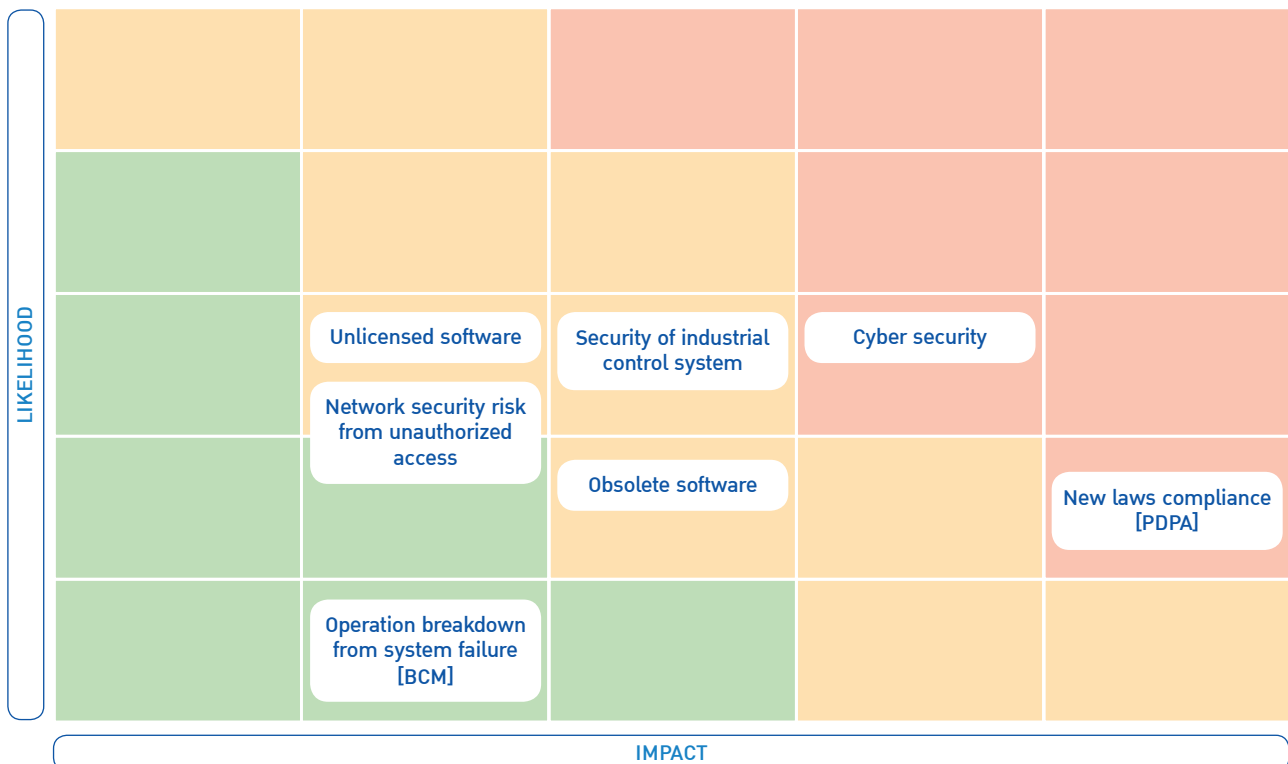


## The Company's risk map



In 2021, the number of electronic transactions has increased significantly. So, the Audit Committee has recommended the Risk Management Committee to add a specific risk map for information technology risks for comprehensive and efficient risk management.

## The IT risk map




## Business interruption from COVID-19 pandemic


Risk event	Mitigation
<p>Over the course of 2021, the COVID-19 infection is still on the rise in many parts of the world. The government in each country has enforced various measures to contain the spread of the virus such as social distancing measures, cross-provincial or cross-border travel restriction, curfew, factory bubble and seal, etc. These measures significantly affect people’s daily lives and business operations. They also cause operational delays as employees who require to operate the facilities are unable to travel to the workplace, require extra time to import raw materials or to export products abroad due to the shortage of containers, or may be impacted by the disruption to the Company’s customers and business partners who are critical to the Company’s supply chain.</p>	<ul style="list-style-type: none"> <li>• Emergency Committee monitors the COVID-19 situation and reports to management on a weekly basis so that adjustments can be made to the Company’s operating plans.</li> <li>• Implemented Bubble and Seal measure for office and factory employees in risky areas for both Thailand and overseas to comply with the rules and guidelines stated by each country. Also, allow some employees to practice a Hybrid Workplace policy.</li> <li>• Escalated the level of the safety and occupational health standards by implementing strict pre-screening procedure before employees are allowed to enter working site. The criteria consists of 3 guidelines: fully vaccinated, record of negative ATK or RT-PCR results in Health Pass system every 3, 7 or 14 days, depending on the type of duties; and record of daily self-declaration. This is for the safety of employees, customers and partners.</li> <li>• Maintained the Company’s liquidity by delaying non-operating budgets and managing the Company’s inventories for maximum efficiency to reduce working capital.</li> <li>• Built trust with customers by enhancing compliance with occupational health and safety standard, especially with customers in consumer packaging segment. This includes internal management to be able to deliver products and services to customers without interruption, and communicate COVID-19 prevention measures to stakeholders regularly.</li> </ul>



## Flood and Drought

Risk event	Mitigation
<p>SCGP has operations in both Thailand and overseas in which some are exposed to flood or drought risks. In 2021, the Company's Fiber-based Packaging factory in Indonesia was affected by the flood whilst the factory of PPPC which is located in the Northeastern region of Thailand is vulnerable to severe drought and thus need close-monitoring. Both flood and drought risks could expose the Company to a halt of production process and may cause a delay in delivering products to customers.</p> <div data-bbox="159 952 414 1048">  <p>Environmental Social Governance</p> </div>	<ul style="list-style-type: none"> <li>• The Water Management Committee has set holistic water management goals and strategies by assessing the water situation with internationally recognized instruments and GISTDA satellite imagery to create an Early Warning System (EWS). Attend meetings with the subcommittee and relevant government sectors that are monitoring and analyzing the water situation to jointly agree on preventive measures.</li> <li>• Increased water consumption efficiency in the production process by improving wastewater treatment system so that more water can be reused. In 2021, the Company consumed 26.3% less fresh water compared to the 2014 on a BAU basis, and in 2025, the Company aims to further reduce the consumption of fresh water to 35.0%. compared to 2014 on the same basis.</li> <li>• Rehabilitated the ecosystem that relates to water sources, both inside and outside the factory, to ensure sustainable water supply and support communities and agriculture around the plant.</li> </ul>

## Safety

Risk event	Mitigation
<p>SCGP operations involve manufacturing, services and logistics, and therefore expose employees to working environment risks arisen from machinery, chemicals and heat that could affect health and safety of the employees or contractors. The company fully realizes the importance and treats health and safety matter at the highest priority to prevent the possibility of any adverse event.</p> <div data-bbox="159 1769 335 1865">  <p>Social Governance</p> </div>	<ul style="list-style-type: none"> <li>• Set a target for zero Lost Time Injury Frequency Rate ("LTIFR") for Thailand. And set a target for zero fatalities that covers both employees and contractors.</li> <li>• Executives and supervisors to be safety role models. Practice includes Leader Standard Work that covers coaching, leadership line walk, visual board follow-up, and safety observation program. This aims to encourage the staff to aware of and mitigate risk which will then become the safety culture.</li> </ul>


Risk event	Mitigation
	<ul style="list-style-type: none"> <li>• Raised awareness and changed working behavior to develop the safety culture by strictly enforcing Life Saving Rules with employees and contractors, in strict accordance with the Occupational Health and Safety Supervisory Committee, which oversees the occupational health and safety to be more stringent and effective through the Contractor Safety Management Committee, the Transportation Safety Committee, the Office Safety Committee, the Safety Culture Committee and the Intelligent Safety Management Platform.</li> <li>• Used SCG’s Safety Framework, together with the Safety Performance Assessment Program “SPAP”.</li> </ul>

## Human rights


Risk event	Mitigation
<p>SCGP operates in many countries which have different laws and regulations for labor and human rights. Therefore, there are risks that the Company may not timely update human resource policies or practices to follow the labor laws of each country. In addition, the labor unions of some subsidiaries may expose the Company with risk of employee strikes, delayed work and increased labor costs among other labor issues.</p>	<ul style="list-style-type: none"> <li>• Established the Company’s human resources management policy in accordance with the human rights and the labor laws in the countries where the Company invests. The focus is to conform with the United Nations Global Compact (UNGC) and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.</li> <li>• Controlled compliance with labor laws and presented details of laws that have change to the management committee, and adjusted Company’s practices to comply with legal requirements.</li> <li>• Monitored the labor relations process, collective labor agreement schedule; and prepared plans to accommodate risks at various points.</li> <li>• Communicated, disseminated, and promoted knowledge and understanding to those related to the operation throughout the business value chain, including suppliers, contractors, and joint venture partners in order for them to cooperatively operate the business in the way that uphold morality, respect for human rights and treat everyone in accordance with the human rights principles.</li> </ul>



## Rules and regulatory compliance


Risk event	Mitigation
<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 such as intellectual properties, data privacy or information protection, etc., coming into effect in those countries. As a result, there are risks that the Company may not be complying with some of these laws or regulations.</p>  <p>Governance</p>	<ul style="list-style-type: none"> <li>• The Compliance Management Committee is responsible for a close monitoring of laws, regulations and guidelines, as well as implementing a digital platform to manage compliance and storing related documents. This is to ensure the effectiveness of Company's compliance with changes in laws and regulations.</li> <li>• Complied with the SCGP Privacy Policy to ensure the compliance of governance and management with the required laws.</li> </ul>

## M&P integration risk

Risk event	Mitigation
<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 existing personnel with the personnel of acquired businesses 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>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 the 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>• Required to appoint teams of advisory in legal, accounting and finance to assess risks 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 the integration plan be presented to executives and established a procedure to follow up.</li> </ul>



## RCP supply tightness

Risk event	Mitigation
<p>SCGP relies on RCP for more than 95% of raw fiber materials for the production process of the Integrated Packaging Business. With the change in the RCP trade flow and with the chance of governments of ASEAN countries (where the Company has packaging paper plants) introducing stricter restrictions than the current ones, the Company's production processes may be at risk. If the Company is unable to source enough RCP from within the country, or if the Company's production processes cannot consume RCP from other sources in a greater portion, the Company's business and outputs will be significantly impacted.</p> <div data-bbox="156 875 411 969">  <p>Environmental Social Governance</p> </div>	<ul style="list-style-type: none"> <li>• Increased the number of recycling centers operated by the Company, as well as the number of centers that are operated by external companies in every countries where the Company has packaging paper plants.</li> <li>• Expanded the collection network with large wholesalers and retailers, factories and industrial estates. Promoted for an increase in Thailand's paper recovery rate. Encouraged waste sorting from the first step by joining forces with residence offices, schools, universities, office buildings and collaborative networks to provide collection points for boxes and paper crates as part of the SCGP Recycle Drop Point program to collect recovered paper from consumers to use as raw materials.</li> <li>• Diversified sources of raw material from the USA, Europe, Japan and Australia.</li> </ul>

## Global freight disruption

Risk event	Mitigation
<p>The Company's business operations that are mostly located in ASEAN, the United Kingdom and Europe and the Company's customer base that spans across number of countries around the world rely on sea freight for raw material imports and goods exports. In 2021, the Company was adversely affected by a significant rise in logistics costs due to heightened freight rates and shipping delays, which are the consequence of containers being stranded at ports in some countries due to COVID-19 pandemic. This has and still caused container shortage issue. In addition, the Ever Given ship incident also contributed to the added shipping time for both raw materials imports and goods exports.</p> <div data-bbox="164 1917 244 2011">  <p>Governance</p> </div>	<ul style="list-style-type: none"> <li>• Adjusted purchasing and exporting modes by increasing the proportion of purchases in the FOB (Free On Board) term where the Company will book ships by itself to reduce dependence on outside operators. This also allows the Company to understand the transport situation quicker and in more detail. Also, cross borders logistics through truck delivery is being used to replace some portions of sea exports.</li> <li>• Managed the raw material sources proportion to reduce risks of delayed delivery. This included increasing the proportion of domestic raw material procurement and imports from short haul, as well as implementing an IT system to manage and plan raw material purchases and delivery schedules.</li> <li>• Procured and booked in advance to timely secure ships, distributed goods loading schedule in each month to balance the loads and closely monitored port congestion situation in destination countries for any increased charges to properly manage proportion of sales to each of the destination countries.</li> </ul>


Risk event	Mitigation
	<ul style="list-style-type: none"> <li>• Developed an Auto Container Matching system to view status and transit time of all imported containers which can then be utilized for exports. The system will automatically match incoming and outgoing containers for the effectiveness of overall containers management.</li> <li>• Developed an order management and logistics system for raw materials purchase (Inbound Outbound Logistics software or IOL) to manage imported raw materials delivery plan, which can help increase the effectiveness of container planning for goods exports to customers.</li> </ul>

### Higher energy prices

Risk event	Mitigation
<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 the Company's production processes. During the past few years, the prices of energy were frequently volatile and fluctuated. This was caused by many factors such as the market demand and supply, environmental regulations, natural disasters, climate change and other factors beyond the Company's control and are expected to continue to volatile in the future. The Company has realized that the volatility in energy prices presents risks and may cause production costs to fluctuate as well. In the event that energy prices rise significantly, the Company may not be able to adjust product prices to entirely reflect the rising energy costs. This may affect the Company's operating results.</p>	<ul style="list-style-type: none"> <li>• Established The Coal Collaborative Committee for coal procurement by pool sourcing through a central department to optimize costs and reduce the volatility of costs by executing forward contracts.</li> <li>• Entered into contracts' for coal purchases from large, reliable coal traders to minimize risks.</li> <li>• Diversify sources of coal imports to Australia and Russia in addition to the current sources.</li> <li>• Use various alternative fuels such as biomass from wood chips and wood bark.</li> <li>• Purchased electricity during off-peak hours.</li> </ul>




## Foreign exchange risk


Risk event	Mitigation
<p>SCGP operations across many countries, 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 currency. In addition, the COVID-19 pandemic has exerted negative impacts on global economic growth, which leads to more exchange rate fluctuations.</p>  <p>Governance</p>	<ul style="list-style-type: none"> <li>• Entered into forward exchange contracts to reduce risks in the assets or financial liabilities in foreign currencies. Entered into FX options and currency exchange contracts with overseas banks.</li> <li>• Managed exchange rates by using the same currencies for both revenue and expense.</li> </ul>

## Emerging risk


### Climate change issue from greenhouse gas emissions

Risk event	Mitigation
<p>SCGP emphasizes the importance of climate change from greenhouse gas emissions. SCGP is committed to reducing greenhouse gas emissions from the production process. In addition, stakeholders along the value chain play key parts in driving the transition towards the Low Carbon Business.</p>  <p>Environmental Social Governance</p>	<ul style="list-style-type: none"> <li>• Set target to accomplish the Net Zero by 2050.</li> <li>• Reduced the reliance on fossil fuels and increased the proportion of renewable energy such as biomass, and clean energy such as solar.</li> <li>• Planted and restored terrestrial forest areas for biodiversity and carbon dioxide absorption.</li> <li>• Studied Carbon Capture and Sequestration technology to reduce carbon dioxide emission.</li> <li>• Conducted the research and development of energy management technology innovations to improve or modify production processes and equipment to achieve better energy efficiency.</li> <li>• Developed products, services and solutions by increasing reusable or recyclable properties to reduce greenhouse gas emission throughout the value chain.</li> <li>• Modified the M&amp;P criteria by adding a focus on the alignment of greenhouse gas emissions with the Company's goals.</li> </ul>

## Environmental pollution and risk of transitioning to the Circular Economy

Risk event	Mitigation
<p>Consumers nowadays are more aware of the environmental impacts and the principle of sustainability. Also, the authorities in various countries have imposed more stringent measures to waste management and control. If the Company does not develop recycling technology or fails to offer environmentally-friendly products that can be recycled effectively, the Company may be adversely affected by reduced demand from consumers or stricter government regulations. Business and operating results may be significantly impacted.</p>  <p>Environmental Social Governance</p>	<ul style="list-style-type: none"> <li>• Set target that 100% of all packaging will be made recyclable, reusable and compostable by 2025.</li> <li>• Developed a multitude of innovative products and solutions that reduces the consumption of natural resources or promotes the recyclability under the Circular Economy principle. For examples, FybroZeal, a paper bag made from natural pulp coated with environmentally-friendly water-based chemical which is heat sealable without the need of plastic film, recyclable and biodegradable; ‘Fest®’ paper straw that can replace single-use plastic straws; and R1, a flexible packaging made from multiple layers of mono-material film which is environmentally-friendly.</li> <li>• Implemented plastic collection in conjunction with the SCGP Recycle Drop Point project to provide a completed solution.</li> </ul>

## Cyber security

Risk event	Mitigation
<p>SCGP uses information technology in our 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. Also, the hybrid workplace policy has been implemented which makes employees to rely more on connecting to the work system through external network. These networks may have a lower level of security in comparison to the Company’s network or the security patch may have not been updated on a regular basis, which increases risks associated with Cyber security such as malware, hacking attempts, and other cyber security attacks that may lead to leaked or stolen product development information. The system’s infrastructure may be affected, which would impact the Company’s production process and reputation.</p>  <p>Social Governance</p>	<ul style="list-style-type: none"> <li>• Complied with the SCGP e-Policy, which is referenced to the ISO 27001 standard, and cyber security plans such as data classification and management, guidelines on using social media, regulations on information technology usage for employees in the Human Resources Department.</li> <li>• Installed more cybersecurity protection devices such as Vulnerability Scan, the Privileged Access Management (PAM), the Network Access Control System, and the security of industrial control system (ICS).</li> <li>• Established a Security Operation Center (SOC) both on-Premise SOC and On-Cloud SOC.</li> <li>• Joint with SCG in conducting drills for the Disaster Recovery Plan (DRP) to be prepared for emergencies.</li> <li>• Prepared a Cyber Incident Response Plan and implemented regular drills to practice preventing cyber attacks.</li> </ul>

## Investment Risks Associated with Investment of the Securities Holders

### Conflicts of interest with the major shareholder (SCC)

Risk event	Mitigation
<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 and at the Company’s extraordinary general shareholders 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>	<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> </ul>



Governance

# Driving Sustainability in Business

## Sustainability Management Policy and Goals

SCGP and its subsidiaries, both domestic and overseas, have a policy to operate 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 has published the Sustainable Development Policy, Corporate Governance Policy, Human Rights Policy, Risk Management Policy, Stakeholders Engagement Policy, Policy and Guidelines for the Procurement and Selection of Vendors of SCG Packaging and Supplier Code of Conduct, as well as a Diversity and Inclusion Policy, Tax Policy, Compliance Policy and published an Environment and Climate Policy on the company website.



The Company has set 2021 sustainability goals and guidelines which can be responded to the United Nations Sustainable Development Goals (SDGs). In total, there are 13 goals:



### No poverty

End poverty in all its forms everywhere



### Good health and well-being

Ensure healthy lives and promote well-being for all at all ages



### Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



### Gender equality

Achieve gender equality and empower all women and girls



### Clean water and sanitation

Ensure availability and sustainable management of water and sanitation for all



### Decent work and economic growth

Promote inclusive and sustainable economic growth and decent work for all



### Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



### Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable



### Responsible consumption and production

Ensure sustainable consumption and production patterns



### Climate action

Take urgent action to combat climate change and its impacts



### Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems



### Peace, justice and institutions

Promote peaceful, equitable and inclusive societies for sustainable development



### Partnerships for the goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development

The Company's sustainability goals and guidelines for 2021 are as follows:

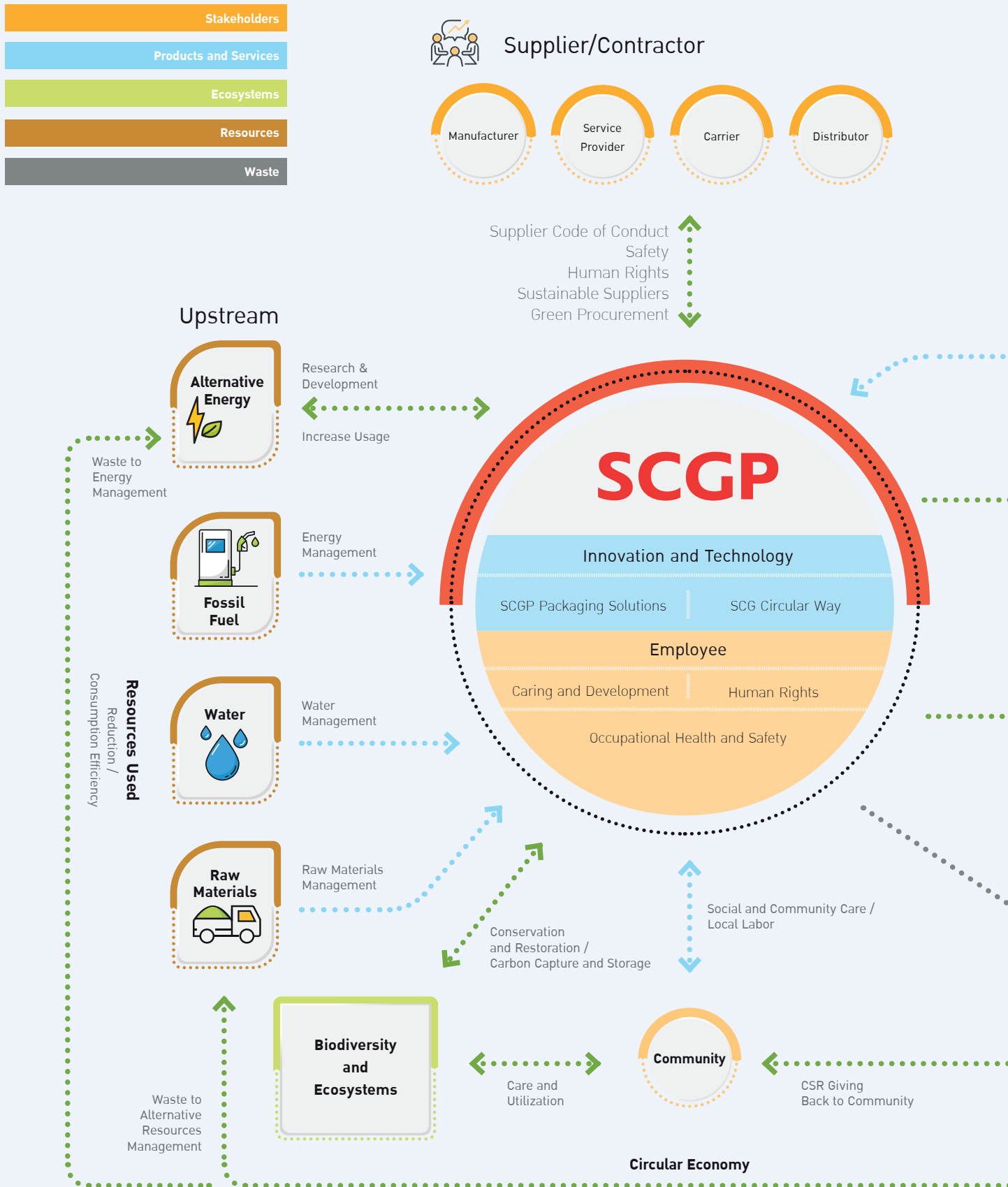
	Goals	Management Guidelines
Environmental Guidelines	<p><b>Climate Resilience</b></p> <ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions 20% by 2030 compared with the base year 2020 both Thailand and abroad.</li> <li>Reduce energy consumption 13% by 2025 compared with Business As Usual (BAU) at the base year of 2007.</li> </ul> <p><b>Increase challenges</b></p> <ul style="list-style-type: none"> <li>Achieve the Net Zero by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>Increase energy efficiency by utilizing the best available technology to improve and upgrade equipment for achieving higher energy efficiency.</li> <li>Increase the share of renewable energy and clean energy sources such as biomass fuel, biogas, solar energy to replace fossil fuels.</li> <li>Produce low-carbon products according to the Circular Economy principles with low-carbon production methods throughout the supply chain.</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>Promote Natural Climate Solutions by supporting and cooperating with communities, organizations, and governments involved in forest protection and terrestrial forest ecosystem restoration to preserve biodiversity by continually planting trees to increase their capacity to absorb carbon dioxide and release oxygen into the atmosphere.</li> <li>Apply economic tools to enhance greenhouse gas emissions reduction within the organization.</li> </ul>
	<p><b>Water Management</b></p> <ul style="list-style-type: none"> <li>Reduce water withdrawal by 35% by 2025 compared with Business As Usual (BAU) at the base year of 2014.</li> </ul>	<ul style="list-style-type: none"> <li>Decrease water-related risks with integrated water management.</li> <li>Increase the efficiency of water use in production processes and products.</li> <li>Treat the effluent to meet quality standards, monitor, measure the effluent and its quality, report on the effluent issues, incident investigation, corrective action, and reduce effluent.</li> <li>Bring the recycled water after treatment to be used.</li> <li>Capability building of the person who is involved in water management.</li> <li>Rehabilitate the water sources' ecosystems and support water to communities and agriculture.</li> </ul>
	<p><b>Waste Management</b></p> <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 as 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, recycle raw material and waste or create value to waste by converting them to value-added products.</li> </ul>
Social Guidelines	<p><b>Health and Safety</b></p> <ul style="list-style-type: none"> <li>Work-Related Fatality of Employees and Contractors in the workplace 0 case every year.</li> <li>Occupational Illness and Disease Frequency Rate 0 cases /1,000,000 Hours Worked every year.</li> <li>Lost Time Injury Frequency Rate of Employees and Contractors 0.08 cases/1,000,000 Hours Worked in 2021.</li> <li>Lost Time Injury Frequency Rate of Employees and Contractors 0 cases/1,000,000 Hours Worked in 2022.</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 safety culture throughout organization.</li> <li>Committed to enhance the Occupational Health and Safety Management System in both domestic and oversea plants in order to steps toward for excellence in Occupational Health and Safety.</li> <li>Develop digital technology to make Occupational Health and Safety Management System easier to implement and more efficient.</li> </ul>
	<p><b>Human Rights</b></p> <ul style="list-style-type: none"> <li>Being a role model in human rights, both directly and indirectly through business activities, by providing support and encouraging suppliers in the value chain and joint-ventures to recognize, protect, and respect human rights in their business operations.</li> <li>Zero case of human rights violation</li> <li>Employees passing Ethics e-Testing, a test on ethics and human rights, are 100%.</li> </ul>	<ul style="list-style-type: none"> <li>Integrating human rights, diversity and inclusion into business operations across the value chain both in Thailand and abroad.</li> <li>Foster value and initiate human rights programs for all stakeholders across the value chain.</li> </ul>



	Goals	Management Guidelines
Social Guidelines	<b>Employee Caring and Development</b> <ul style="list-style-type: none"> <li>100% of the employees in Thailand receive their competency assessment with Individual Development Plan (IDP) under the Learning Management System (LMS) continuously.</li> <li>Employee engagement rate is greater than 80% based on the total number of domestic employees by 2022.</li> </ul> 	<ul style="list-style-type: none"> <li>Construct a learning and coaching culture that the employees are responsible for their self-learning and self-development, with their supervisors as supporters.</li> <li>Enhance the employee competencies to meet the Company's competitiveness and develop leaders to have attitudes, knowledge, and abilities to build and empower their subordinates to be SCGP's essential workforces.</li> <li>Provide a fundamental learning system using the Learning Management System (LMS) of the same quality and standard entire the region and learning in the form of a digital classroom.</li> <li>Create corporate value to attract talent and competent prospective employees.</li> <li>Ensure that employee caring is thoroughly equitable to create a bond with the organization.</li> </ul>
	<b>Community Engagement and Development</b> <ul style="list-style-type: none"> <li>Community satisfaction index 89%</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 achievement to other community networks.</li> </ul>
Economic Guidelines	<b>Product Stewardship</b> <ul style="list-style-type: none"> <li>66.7% of Sales Revenue comes from sales of products, services, and solutions that received the SCG Green Choice label by 2030.</li> <li>33.3% of Sales Revenue comes from sales of products, services, and solutions that are environmentally friendly and received the SCG Green Choice label by 2030.</li> </ul> 	<ul style="list-style-type: none"> <li>Use innovation-oriented approach to develop products, services, and solutions that meet consumers' needs and enhance consumer well-being, by taking into account the impact of climate change, the Circular Economy principles and create new business opportunities.</li> <li>Develop business processes throughout the value chain, in line with international standards.</li> <li>Consider effects from products and services, solutions for environment and product safety throughout its life cycle.</li> <li>Focus on products, services, and solutions which directly benefit to consumer.</li> </ul>
	<b>Customers Experience</b> <ul style="list-style-type: none"> <li>100% of overall customer satisfaction.</li> </ul> 	<ul style="list-style-type: none"> <li>Create business-to-business-to-customer (B2B2C) engagement.</li> <li>Create business-to-customer (B2C) engagement.</li> </ul>
	<b>Supply Chain Stewardship</b> <ul style="list-style-type: none"> <li>90% of procurement value from suppliers who committed to complying with the SCGP 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 certified under SCG Contractor Certification System or SCS</li> </ul> 	<ul style="list-style-type: none"> <li>Select and assess supplier with capability in sustainable business conduct.</li> <li>Conduct risk assessment and supplier segmentation to formulate strategy and supplier development plan corresponding with the risks.</li> <li>Develop and advance supplier's capability towards sustainability.</li> <li>Raise awareness and enhance employee's competency for efficient procurement.</li> </ul>

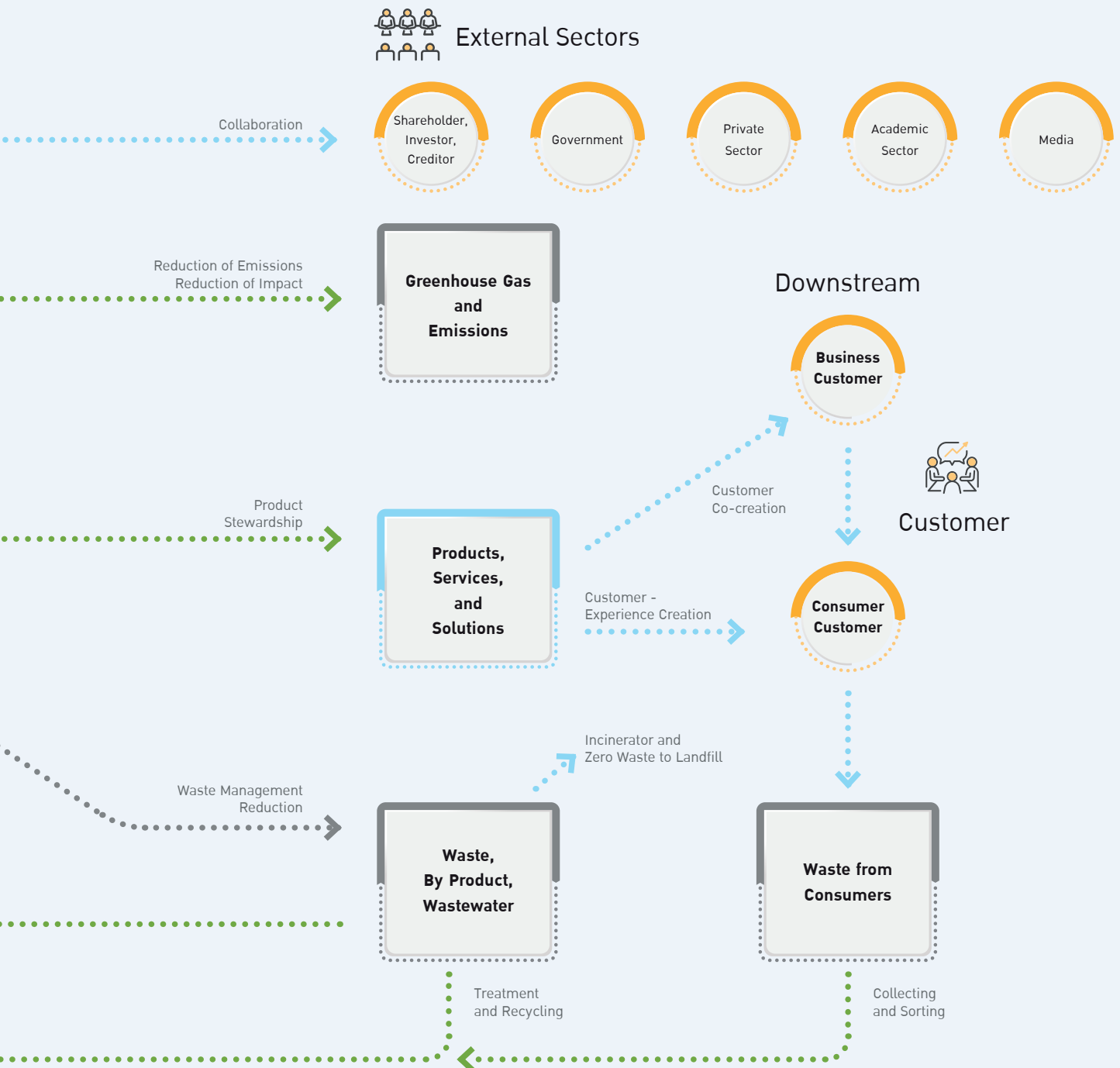
# Business Value Chain

SCGP values its stakeholders and has operating guidelines that consider them throughout the business value chain (upstream and downstream), as shown in this figure.



## Sustainable Value Chain

SCGP incorporates Circular Economy principles throughout the Company's value chain, from product design, procurement, manufacturing, sales and distribution, usage up to resource recovery. We maximize the unitization of limited energy and resources such as reducing the use, reuse, and recycling to the production process as new raw materials and renewable energy fuel with the least residual disposal. SCGP offers products, services, and solutions to reduce greenhouse gas emissions, energy consumption, and waste with a longer product lifetime. We also take care of our factory's communities and all stakeholders, creating various social projects, including campaigning activities to raise environmental conservation awareness and coordinating with all sectors, including the public, private, and public sectors, for sustainable social development.



SCGP applies the Circular Economy Principles in every step of the value chain, starting from design, procurement, production, sales and transportation, and product use and reuse, by decreasing and optimizing the use of limited energy and natural resources. The Company reuses, recycles, draws on renewable sources, and minimizes any non-recyclable waste to be disposed.

In addition, the Company's production and service processes strive to reduce greenhouse gas emissions, energy consumption and waste generation. The Company also takes



care of communities surrounding the plant and supports all stakeholders with the implementation of various social projects, including campaigns and awareness raising activities on environmental conservation. Moreover, the Company coordinates with all sectors including the government and the private and public sector – this is a key factor in the realization of a Circular Economy.

### Analysis of Stakeholder Expectations





SCGP has 12 stakeholder groups: shareholders, joint venture partners, creditors, employees, customers,

suppliers, business partners, communities, government, mass media, civil society/academics/thought leaders and competitors. Each stakeholder group may be affected by the Company's operations at different levels. Therefore, the 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 2021:

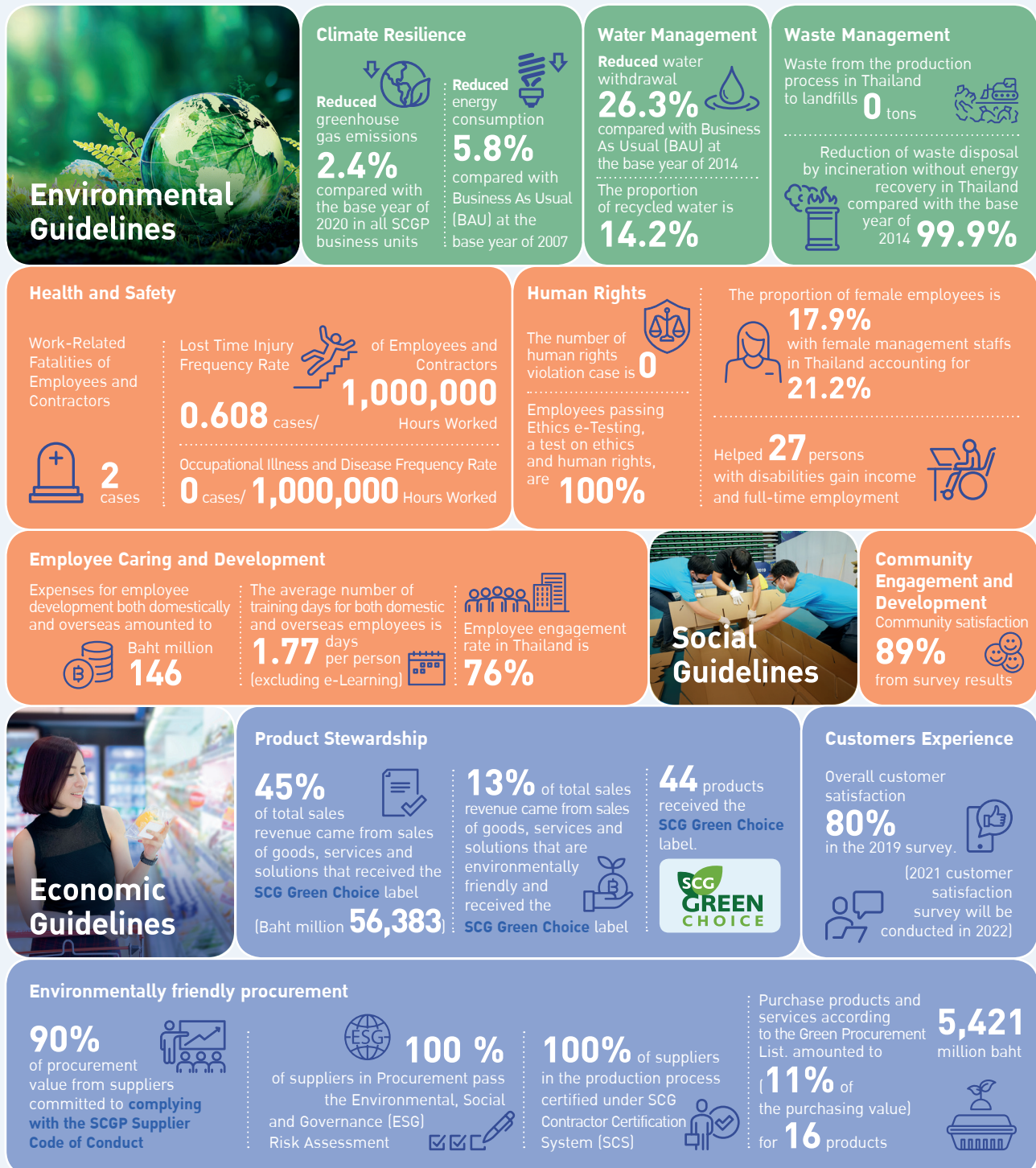
Stakeholder Group	Key concerns & Expectations	Participation Approach	Example of outcomes
<b>1 Shareholders/ investors/ creditors</b> 	<ul style="list-style-type: none"> <li>• SCGP's plan/ strategies to achieve both long-term, and short-term goals</li> <li>• Operating results and business growth</li> <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 (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>
<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 satisfaction 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>

Stakeholder Group	Key concerns & Expectations	Participation Approach	Example of outcomes
<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 satisfaction 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>
<b>4 Suppliers, business partners</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 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>
<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 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 and co-develop the projects that enhance the community's competence for society's benefit</li> </ul>
<b>6 Government</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 sustainable development</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> </ul>	<ul style="list-style-type: none"> <li>• Conduct business operations appropriately and adequately with strict compliant to applicable laws and regulations</li> </ul>

Stakeholder Group	Key concerns & Expectations	Participation Approach	Example of outcomes
<b>6 Government</b> 	<ul style="list-style-type: none"> <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>• 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>• Cooperate and support activities that promote operations and policies of the public sectors</li> </ul>
<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. 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>
<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 sustainable development</li> <li>• Join forces with large corporations to make significant changes for sustainability</li> <li>• Cooperate with government agencies and present practical guidelines for Sustainable Development</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 and utilize knowledge from experts to support collaborative projects</li> </ul>
<b>9 Competitor</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>

## Sustainability Performance

Based on the stakeholder expectation analysis, the Company has put in place guidelines for sustainability 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 2021 are as follows:



## Sustainability Performance (Thailand)

Performance		2017	2018	2019	2020	2021
1	Revenue from Sales of High Value Added Products and Services (%) <sup>1</sup>	47	51	52	63	48
2	Revenue from Sales of SCG Green Choice Products and Services (%) <sup>1</sup>	27	34	16	34	45
3	Research & Development and Innovation Investment (Baht million) <sup>1</sup>	574	425	584	529	958
4	Raw Materials (Thousand Tons) <sup>2</sup>	5,224	5,483	5,177	6,405	4,507
5	Recycled Materials (Thousand Tons) <sup>2</sup>	2,887	2,550	2,597	4,003	1,909
6	GHG Scope 1 and 2 (Million Tons Carbon Dioxide Equivalent) <sup>3</sup>	3.02	2.96	2.91	2.92	2.79
7	GHG Emission Reduction Compared with the base year of 2020 (%) <sup>4</sup>	11.00	13.22	14.45	12.79	4.6
8	GHG Emission (Tons Carbon Dioxide Equivalent per Ton of Production)	0.89	0.86	0.85	0.87	0.80
9	Alternative Fuel (Petajoules) <ul style="list-style-type: none"> <li>• Renewable Biomass</li> </ul>	0.95	0.96	1.39	1.59	2.31
10	Alternative Fuel (Petajoules) <ul style="list-style-type: none"> <li>• Renewable Industrial Waste</li> </ul>	8.55	9.80	9.81	8.81	10.09
11	Alternative Fuel (Petajoules) <ul style="list-style-type: none"> <li>• Non Renewable Industrial Waste</li> </ul>	1.25	1.08	0.89	1.94	1.90
12	Portion of Renewable Energy (%)	23.52	26.27	27.52	25.57	29.80
13	Energy Consumption Reduction Compared with Business as Usual (BAU) at the base year of 2007 (%)	6.99	8.23	8.42	5.36	5.59
14	Energy Consumption (Gigajoules per Ton of Production)	11.84	11.91	11.86	12.14	11.89
15	Water Withdrawal Reduction Compared with Business as Usual at the base year of 2014 (%)	-0.80	4.32	10.40	16.81	19.40
16	Portion of Recycled Water (%)	8.35	9.75	12.04	14.08	16.00
17	Water Withdrawal (Cubic Meter per Ton of production)	19.70	19.05	17.82	16.31	15.53
18	Hazardous and Non Hazardous Waste to Landfilled (Tons)	1	0	0	0.77	0
19	Hazardous and Non Hazardous Waste to Incineration Without Energy Recovery Compared with the base year of 2014 (%)	82.38	93.49	96.17	99.62	99.99
20	Lost Time Injury Frequency Rate : LTIFR (Cases per 1,000,000 Hours Worked) <ul style="list-style-type: none"> <li>• Employee+Contractor</li> </ul>	0.507	0.532	0.605	0.217	0.263
21	Total Number of Work-Related Fatalities (Cases) <ul style="list-style-type: none"> <li>• Employee (male:female)</li> </ul>	0 : 0	0 : 0	0 : 0	0 : 0	1 : 0
22	Total Number of Work-Related Fatalities (Cases) <ul style="list-style-type: none"> <li>• Contractor (male:female) (Workplace and Direct Transportation)</li> </ul>	0 : 0	1 : 0	0 : 0	0 : 0	0:0
23	Recordable Work-Related Injury Rate (Cases per 1,000,000 Hours Worked) <ul style="list-style-type: none"> <li>• Employee</li> </ul>	2.169	1.526	1.423	1.006	1.151
24	Female Share of Total Workforce (%)	16.69	16.91	16.92	17.52	17.9
25	Female in All Management Positions (%)	19.0	18.9	19.6	20.6	21.2

**Remarks:** <sup>1</sup> Economic data covers the performance of subsidiaries, joint ventures, associates, and other companies, both domestic and abroad.

<sup>2</sup> Raw materials and recycled materials from both domestic and international factories are included in the volume of raw materials and recycled materials stated in Y2017-2020. Raw materials and recycled materials quantities from domestic and international factories will be reported separately in Y2021.

<sup>3</sup> Direct GHG emissions (Scope 1) arising from the production process or various activities with a source in the supervision and management of a company or factory, such as the emission of greenhouse gases arising from stationary combustion, mobile combustion, fugitive emissions, and chemical reaction emission. Carbon dioxide emissions occurring from biomass burning, biogas and lime mud burning at lime kiln are reported separately from Scope 1. 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.

<sup>4</sup> The performance of greenhouse gas emission in 2017-2020 (Thailand only) was compared with Business As Usual (BAU) at the base year of 2007 and used the data of 2020 to serve as the base year to set target to reduce greenhouse gas emission both Thailand and abroad.



## Sustainability Performance (Ex-Thailand)

	ข้อมูลการดำเนินงาน	2564
1	Revenue from Sales of High Value Added Products and Services (%) <sup>1</sup>	48
2	Revenue from Sales of SCG Green Choice Products and Services (%) <sup>1</sup>	45
3	Research & Development and Innovation Investment (Baht million) <sup>1</sup>	958
4	Raw Materials (Thousand Tons) <sup>2</sup>	2,712
5	Recycled Materials (Thousand Tons) <sup>2</sup>	3,511
6	GHG Scope 1 and 2 (Million Tons Carbon Dioxide Equivalent) <sup>3</sup>	2.09
7	GHG Emission Reduction Compared with the base year of 2020 (%) <sup>4</sup>	-0.8
8	GHG Emission (Tons Carbon Dioxide Equivalent per Ton of Production)	0.94
9	Alternative Fuel (Petajoules) <ul style="list-style-type: none"> <li>Renewable Biomass</li> </ul>	0.66
10	Alternative Fuel (Petajoules) <ul style="list-style-type: none"> <li>Renewable Industrial Waste</li> </ul>	0.37
11	Alternative Fuel (Petajoules) <ul style="list-style-type: none"> <li>Non Renewable Industrial Waste</li> </ul>	1.70
12	Portion of Renewable Energy (%)	4.41
13	Energy Consumption Reduction Compared with Business as Usual (BAU) at the base year of 2007 (%)	6.25
14	Energy Consumption (Gigajoules per Ton of Production)	10.48
15	Water Withdrawal Reduction Compared with Business as Usual at the base year of 2014 (%)	37.80
16	Portion of Recycled Water (%)	10.00
17	Water Withdrawal (Cubic Meter per Ton of production)	11.17
18	Hazardous and Non Hazardous Waste to Landfilled (Tons)	17,750
19	Hazardous and Non Hazardous Waste to Incineration Without Energy Recovery Compared with the base year of 2014 (%)	N/A
20	Lost Time Injury Frequency Rate : LTIFR (Cases per 1,000,000 Hours Worked) <ul style="list-style-type: none"> <li>Employee+Contractor</li> </ul>	1.492
21	Total Number of Work-Related Fatalities (Cases) <ul style="list-style-type: none"> <li>Employee (male:female)</li> </ul>	0:0
22	Total Number of Work-Related Fatalities (Cases) <ul style="list-style-type: none"> <li>Contractor (male:female) (Workplace and Direct Transportation)</li> </ul>	1:0
23	Recordable Work-Related Injury Rate (Cases per 1,000,000 Hours Worked) <ul style="list-style-type: none"> <li>Employee</li> </ul>	2.948
24	Female Share of Total Workforce (%)	N/A
25	Female in All Management Positions (%)	N/A

SCGP has disclosed information in the Sustainability Report in accordance with GRI standards. The accuracy of the sustainability information has been verified for the year ended December 31, 2021 by Deloitte Touche Tohmatsu Jaiyos Company Limited. The Company has disclosed details of its sustainable development performance in the 2021 Sustainability Report on our website: [www.scgpackaging.com](http://www.scgpackaging.com).

# Management Discussion and Analysis: MD&A

## Business and Operations Overview

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

### 1. Integrated Packaging Business

revenue accounts for approximately 85% of the total consolidated revenue and is comprised 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.
- Fiber Based Packaging, such as corrugated containers, retail display packaging, recycled paper bags for consumer products, and industrial bags.

### 2. Fibrous Business

revenue accounts for approximately 15% of total consolidated revenue and comprises of foodservice products, printing and writing paper, and pulp products.

In 2021, the world's economic situations still decelerated because of the COVID-19 pandemic crisis that caused supply chain disruption. As a result, there were shortages of shipping containers worldwide, resulting in a high freight rate. Moreover, the cost of raw materials and energies continuously were raised. Nevertheless, SCGP was able to continue its business expansion strategy and implemented a business plan to cope with the impacts of the above factors.



It also proactively managed costs in the situations when it encountered continuous high costs, and offered values through its products, innovations, and services that met customers' requirements to maintain and increase its strength of being the ASEAN Integrated Packaging Solutions Leader. In 2021, the Company achieved revenue from sales of Baht 124,223 million, an increase of 34% year on year. This was attributed to the growth of integrated packaging business mainly in the industry of consumer goods, higher income in the foodservice packaging business, and continuous business expansions both in Organic Expansions and Mergers and Partnerships (M&P). EBITDA registered Baht 21,150 million, an increase of 25% year on year, with an EBITDA margin of 17%. Profit for the year was Baht 8,294 million, an increase of 28% year on year, and the net profit margin was 7%.

### **Business expansion to meet consumers' requirements and synergy with business partners for greater strength**

SCGP stimulated the strong continual growth according to its business expansion plan through inorganic growth focus on merger and partnership and organic growth in Vietnam, Indonesia, the Philippines, Thailand, United Kingdom, and Spain. The details were as follows:

#### **Integrated Packaging Business**

- **Vietnam** - SCGP continuously expanded our business operation in Vietnam by acquiring 70.0% share in Duy Tan Plastics Manufacturing Corporation (Duy Tan), a leading rigid plastic packaging manufacturer for both

multinational and local clients. With the completion of this deal, SCGP's offerings in Vietnam cover full ranges of polymer and fiber based packaging providing customers with a preferred choice of packaging material that fit with their usage. Additionally, the Company has announced a major investment in a new production base in Northern Vietnam under Vina Kraft Paper Co., Ltd. (VKPC) to serve the growing domestic and export-oriented industries and foreign direct investment.

- **Indonesia** - SCGP acquired 75.0% of PT Indonesia Dirtajaya Aneka Industri Box, PT Bahana Buana Box and PT Rapipack Asritama (Intan Group), a leading corrugated containers with 4 production bases in Indonesia. This promoted cooperation between new and existing businesses by creating added values from mutual customer bases and driving the growth of corrugated containers market shares. Moreover, SCGP has increased the production capacity of packaging paper and coated duplex boards at Fajar to expand its customer base in the eastern areas of Java Island and to better meet customers' requirements.
- **The Philippines** - SCGP expanded its packaging paper production capacity to augment its leading position, enhance its strength and support the increasing domestic buying demand and overall economic growth.
- **Thailand** - SCGP expanded its flexible and rigid packaging production capacity to meet the

evolving requirement of packaging used for consumer goods, frozen foods, and instant foods along with consumers' tendency that places more importance on convenience.

- **Spain** - SCGP made its significant business expansion by entering the medical supplies and labware market through the 85.0% acquisition of Deltalab, S.L. (Deltalab), a specialist in high quality medical supplies and labware. This acquisition aims to respond to a growth in the hygiene related and healthcare industry, furthering the Company's current offering of products in these fields which are in forms of packaging for transportation, product packaging and display packaging. This M&P would also enables SCGP to learn new technologies, and innovations for future expansion in Asia Pacific market.

#### **Fibrous Business**

- **United Kingdom** - SCGP acquired 100.0% of Go-Pak UK Limited (Go-Pak), a leading provider of foodservice packaging solutions with the global base in the UK, Europe and North America. This is to extend its foodservice packaging business, expand the Company's customer base, and meet the growth of global foodservice packaging demands.
- **Thailand and Vietnam** - SCGP expanded its pressboard and molded pulp foodservice packaging production capacity to meet domestic demands and support the fast-growing customer base in oversea markets.

Table 1: SCGP's consolidated financial statements

Unit : Baht million

	Year		% y-o-y
	2021	2020	
<b>Operating Results from Consolidated Financial Statements</b>			
Revenue from Sales	124,223	92,786	34%
Integrated Packaging Business	105,563	78,903	34%
Fibrous Business	18,660	13,883	34%
Cost of Sales	101,345	73,333	38%
Gross Profit	22,878	19,453	18%
<i>Gross Profit Margin (%)</i>	18%	21%	
Distribution Costs and Administrative Expenses	12,575	10,141	24%
EBITDA	21,150	16,876	25%
<i>EBITDA margin (%)</i>	17%	18%	
Profit for the year	8,294	6,457	28%
<i>Net Profit Margin (%)</i>	7%	7%	
Earnings per Share (Baht)	1.93	1.95	
<b>Core Financials</b>			
Core EBITDA	20,337	17,537	16%
Core Profit	7,444	6,638	12%

**Remarks:**

Revenue from sales by Business	=	Revenue from sales after intersegment elimination
EBITDA	=	Profit before finance costs, income tax expense, depreciation and amortization (excluded dividends from associates and included FX gain/loss from loans)
		In 2021 and 2020, dividends received from associates were Baht 14 million and Baht 8 million, respectively.
Profit for the period	=	Profit for the period attributable to owners of the parent

## Operations Overview by Business

### Integrated Packaging Business

In 2021, revenue from sales of the integrated packaging business was Baht 105,834 million, (before the intersegment elimination), an increase of 34% year on year. This is attributed to the increased buying demand in the consumer goods, food and beverage, and personal hygiene products; the commercial starting of containerboard and duplex paper production capacity expansion in Surabaya,

Indonesia, and that of flexible polymer packaging in Thailand; and consolidation of operation results from M&P with SOVI, Duy Tan, Intan Group, and Deltalab. EBITDA was Baht 16,078 million, an increase of 2% year on year, with an EBITDA margin of 15%. Profit for the year was Baht 5,913 million, a decrease of 18% year on year, mainly resulted from industry wide higher transportation and raw material costs.

### Fibrous Business

In 2021, revenue from sales of the Fibrous Business was Baht 20,656 million (before the intersegment elimination), an increase of 34% year on year. This is mainly caused by foodservice packaging business expansion; and higher pulp and dissolving pulp prices. EBITDA was Baht 4,526 million, an increase of 341% year on year, with an EBITDA margin of 22%. The Profit for the year was Baht

2,084 million, an increase of 418% year on year, including the adjustment of Go-Pak's earn-out provision in accordance with the share purchase agreement.

Sales revenue of the foodservice packaging business in 2021 was Baht 4,026 million, an increase of 196% year on year. This meets the strategic plan aiming to increase foodservice

packaging business proportion. Compared with the previous year, sales of the foodservice packaging business increased from 10% to 22% of total sales in the Fibrous Business.

**Table 2: Operating results by business segment**

Unit : Baht million

Revenue from Sales	Year		
	2021	2020	% y-o-y
<b>Consolidated SCGP</b>	<b>124,223</b>	<b>92,786</b>	<b>34%</b>
Integrated Packaging Business	105,834	79,175	34%
Fibrous Business	20,656	15,448	34%
Intersegment Elimination	(2,267)	(1,837)	(23%)

EBITDA	Year		
	2021	2020	% y-o-y
<b>Consolidated SCGP</b>	<b>21,150</b>	<b>16,876</b>	<b>25%</b>
Integrated Packaging Business	16,078	15,789	2%
Fibrous Business	4,526	1,027	341%
Others	4,897	3,270	50%
Intersegment Elimination	(4,351)	(3,210)	(36%)

EBITDA Margin (%)	Year		
	2021	2020	% y-o-y
<b>Consolidated SCGP</b>	<b>17%</b>	<b>18%</b>	
Integrated Packaging Business	15%	20%	
Fibrous Business	22%	7%	

Profit (Loss) for the Year	Year		
	2021	2020	% y-o-y
<b>Consolidated SCGP</b>	<b>8,294</b>	<b>6,457</b>	<b>28%</b>
Integrated Packaging Business	5,913	7,200	(18%)
Fibrous Business	2,084	(655)	418%
Others	4,318	2,388	81%
Intersegment Elimination	(4,021)	(2,476)	(62%)

**Remarks:**

EBITDA = Profit before finance costs, income tax expense, depreciation and amortization (excluded dividends from associates and included FX gain/loss from loans)  
 In 2021 and 2020, dividends received from associates were Baht 14 million and Baht 8 million, respectively.

EBITDA Margin = EBITDA/Revenue from Sales

Profit (loss) for the year = Profit (loss) for the year attributable to owners of the parent

Consolidated SCGP is presented after the intersegment elimination.

Revenue from sales by business segment is presented before the intersegment elimination.

## Cost of sales

In 2021, SCGP's cost of sales was Baht 101,345 million, an increase of 38% year on year. These can be divided into costs of the Integrated Packaging Business of Baht 86,724 million, an increase of 42% year on year, and those of Fibrous Business of Baht 17,153 million, an increase of 19% year on year. The increase was

mainly due to the increased cost of sales from merger and partnership, heightened freight rates, energy costs, and harder access to recycled paper during the COVID-19 pandemic in many countries which affects raw material prices.

Nonetheless, SCGP was capable of managing and obtaining raw

materials from various sources, such as procuring through the Company's recycling center, purchasing from domestic sellers, and importing from partners in many countries. This allowed the Company to have sufficient materials and maintain its packaging paper production capacity at the normal level.

Table 3: Cost of sales by business segment

Unit : Baht million

	Year				% y-o-y
	2021	(%)	2020	(%)	
<b>Cost of sales</b>					
Integrated Packaging Business	86,724	85.6	61,008	83.2	42%
Fibrous Business	17,153	16.9	14,422	19.7	19%
Intersegment Elimination	(2,532)	(2.5)	(2,097)	(2.9)	21%
<b>Consolidated SCGP</b>	<b>101,345</b>	<b>100.0</b>	<b>73,333</b>	<b>100.0</b>	<b>38%</b>

## Distribution costs and administrative expenses

In 2021, distribution costs were Baht 6,820 million, a 32% increase from the previous year. This was mainly due to the higher freight rate and transportation cost including from the business expansion. The administrative expenses were Baht 5,755 million, a 15% increase from the previous year from the higher employee-related expenses and expenses as part of the business expansion.

## Summary of the Company's Consolidated Financial Statements

### Consolidated statement of financial position as at December 31, 2021

- **Total assets** were Baht 206,824 million, an increase of Baht 34,395 million or 20% from the previous year. This was mainly due to the business expansion from M&P (Go-Pak, Duy Tan,

Intan Group and Deltalab) of Baht 30,217 million, including goodwill of Baht 9,200 million and a realized in fair value of assets of Baht 8,919 million.

- **Current assets** were Baht 69,186 million, an increase of 10% from the previous year which comprised of cash and cash equivalents, trade and other current receivables, inventories and short-term investments.
- **Cash and cash equivalents** were Baht 7,310 million, a decrease of Baht 23,946 million or 77% from the previous year mainly from the payment for business expansion of Baht 13,779 million and invest in short term investment of Baht 11,038 million.
- **Trade and other current receivables** were Baht 24,910 million, an increase of Baht 8,576 million or 53% from the previous

year, mainly attributed to the merger and partnership (Go-Pak, Duy Tan, Intan Group, and Deltalab) and the increased sales volume. As at 31 December 2021, SCGP's total trade receivables were Baht 22,413 million which included an expected credit loss of Baht 162 million. The Company's normal credit term is 30-90 days as disclosed in Note to the financial statement "Trade receivables" in the 2021 Financial Report.

- **Inventories** were Baht 23,308 million, an increase of Baht 10,548 million or 83% from the previous year, mainly due to adjustments in the production and inventories management plan to align with higher incomes and M&Ps. The inventories mainly consist of finished goods, goods in process, raw materials, spare parts, stores supplies, and goods in transit. In 2021, the Company had no significant deteriorated or

obsolete inventories as disclosed in Note to the financial statement “Inventories” in the 2021 Financial Report.

- **Non-current assets** mainly consist of property, plant and equipment, goodwill, and other intangible assets.
- **Property, plant, and equipment** were Baht 97,181 million, an increase of Baht 9,910 million or 11%, mainly due to the mergers with Go-Pak, Duy Tan, Intan Group, and Deltalab, and the production capacity expansion projects in Thailand and Indonesia.
- **Total liabilities** were Baht 84,524 million, an increase of Baht 21,936 million or 35% from the previous

year. The main reason was increased liabilities from the mergers with Go-Pak, Duy Tan, Intan Group, and Deltalab amounting to Baht 9,653 million and the accrued investment of Baht 2,925 million.

- **Trade and other payables** were Baht 15,261 million, an increase of Baht 4,896 million or 47% from the previous year, mainly due to M&Ps. Cash management was put in place to reduce liquidity risk during the COVID-19 pandemic, emphasizing trade payables management.
- **Loans** were Baht 56,771 million, an increase of Baht 11,843 million or 26% from the previous year due to the consolidation of Go-Pak, Duy Tan, Intan Group

and Deltalab of Baht 3,700 million, loan for working capital for SCGP’s businesses in Indonesia amounting to Baht 3,537 million, and loans for regular business operation of Baht 4,180 million.

- **Total shareholders’ equity** were Baht 122,300 million, an increase of Baht 12,459 million or 11% from the previous year. This was mainly due to the profit for the year of Baht 9,647 million, exchange differences on translating financial statement of Baht 5,005 million, increased in non-controlling interests from M&Ps of Baht 1,208 million and dividend payments of the Company and its subsidiaries of Baht 3,522 million.

**Table 4: Summary of SCGP’s consolidated statement of financial position**

Unit : Baht million

	Year		Change	
	2021	2020	Baht million	%
<b>Total Assets</b>	<b>206,824</b>	<b>172,429</b>	<b>34,395</b>	<b>20%</b>
Current assets	69,186	62,919	6,267	10%
Cash and cash equivalents	7,310	31,256	(23,946)	(77%)
Investments in short-term debt instruments	12,912	1,630	11,282	692%
Trade and other current receivables	24,910	16,334	8,576	53%
Inventories	23,308	12,760	10,548	83%
Investments in associates	873	823	50	6%
Property, plant and equipment	97,181	87,271	9,910	11%
Goodwill	29,483	18,624	10,859	58%
Other intangible assets	7,750	813	6,937	853%
<b>Total Liabilities</b>	<b>84,524</b>	<b>62,588</b>	<b>21,936</b>	<b>35%</b>
Trade and other current payables	15,261	10,365	4,896	47%
Loans	56,771	44,928	11,843	26%
<b>Total Shareholders’ Equity</b>	<b>122,300</b>	<b>109,841</b>	<b>12,459</b>	<b>11%</b>
Total equity attributable to owners of the parent	96,837	88,738	8,099	9%
Non-controlling interests	25,463	21,103	4,360	21%

**Table 5: SCGP's net debt**

Unit : Baht million

	Year		Change	
	2021	2020	Baht million	%
<b>Short-term Loans</b>	<b>30,547</b>	<b>15,080</b>	<b>15,467</b>	<b>103%</b>
Foreign	12,711	5,769	6,942	120%
Baht	17,836	9,311	8,525	92%
% of Total Loans	54%	32%		
<b>Long-term Loans</b>	<b>26,224</b>	<b>29,848</b>	<b>(3,624)</b>	<b>(12%)</b>
Foreign	9,706	8,630	1,076	12%
Baht	16,518	21,218	(4,700)	(22%)
% of Total Loans	46%	66%		
<b>Average Cost of Debt (%)</b>	<b>2.3%</b>	<b>2.8%</b>		
<b>Total Loans</b>	<b>56,771</b>	<b>44,928</b>	<b>11,843</b>	<b>26%</b>
<b>Cash &amp; Cash under Management</b>	<b>20,242</b>	<b>32,886</b>	<b>(12,644)</b>	<b>(38%)</b>
Cash and cash equivalents	7,310	31,256	(23,946)	(77%)
Investments in debt instruments	12,932	1,630	11,302	693%
<b>Net debt</b>	<b>36,529</b>	<b>12,042</b>	<b>24,487</b>	<b>203%</b>

### Key Financial Ratios for the Year 2021

#### Liquidity ratio

In 2021, the current ratio of the Company was 1.3 times and quick ratio was 0.8 times, a slight decrease from the previous year. This was mainly due to the increase in trade and other current payables from M&P and other current liabilities from earn-out items in accordance with the share purchase agreements. The Company has managed cash flow, trade receivable, trade payables, and inventories to reduce liquidity risk during the COVID-19 pandemic and laid the foundation for efficient business expansion in the future.

#### Profitability ratio

The Company's gross profit margin was 18% compared to 21% in the previous year. The Company's EBITDA margin decreased to 17% compared to 18% last year, due to the impacts of higher freight rates and raw material costs throughout the industry. The Company's net profit margin was at 7%, similar to the previous year.

#### Efficiency ratio

The Company's return on assets stayed at 5% as compared to the previous year. The return on fixed assets also remained at 19% as compared to 17% last year. This was caused by M&Ps which increased both total income and total assets.

#### Financial leverage ratio

The Company had a debt to equity ratio of 0.7 times, an increase from 0.6 times year on year, with net debt to EBITDA ratio of 1.7 times, an increase from 0.7 times year on year, and an interest bearing debt to equity ratio of 0.5 times, from 0.4 times year on year, due to the increased loans for business expansion.

#### Cash flows statement as at December 31, 2021

In 2021, SCGP's net cash flows provided by operating activities amounted to Baht 7,501 million, consisting of Baht 9,748 million cash from operating activities deducted by income tax payment of Baht 2,247 million. Cash generated from operations includes profit for the year with adjusted entries, such as depreciation and amortization,



tax expenses, and changes of operating assets and liabilities.

**Net cash flows used in investing activities** amounted to Baht 30,996 million. This was mainly due to the acquisition of subsidiaries amounted to Baht 13,779 million, the short

term investments of Baht 11,038 million, and capital expenditure amounted to Baht 6,415 million.

**Net cash flows used in financing activities** amounted to Baht 1,042 million with increased loans of Baht 5,070 million, dividend payments

of the Company and its subsidiaries amounted Baht 3,522 million, interest payment and other financial costs of Baht 1,180 million and payment for share of subsidiaries of Baht 1,410 million.

**Table 6: Summary of cash flows statement**

	Year		
	2021	2020	Change
Cash flows from operating activities	7,501	15,728	(8,227)
Cash flows from investing activities	(30,996)	(10,672)	(20,324)
Cash flows from financing activities	(1,042)	21,790	(22,832)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(24,537)</b>	<b>26,846</b>	<b>(51,383)</b>
<b>Free cash flows</b>	<b>1,086</b>	<b>8,002</b>	<b>(6,916)</b>

Unit : Baht million

## Liquidity and Capital Management

### The Company's usage of cash

- Business expansion investments through production capacity expansion (organic), acquisitions including other assets (inorganic) and investments for machine maintenance.
- Loans repayments to financial institutions.
- The Company's working capital.

The Company'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 of "Risks factor." However, such factors are beyond the Company's control. Regarding the Company's sources of capitals, including cash and cash equivalents, cash from operating activities, and existing bank loans, the Company believes that it has enough working

capital to meet its needs at present and for the next 12 months from the date in this document.

### Planned and Past CAPEX Highlights

#### Planned CAPEX

At the end of 2021, SCGP has had 3 projects under construction with the combined total investment value of approximately Baht 17,812 million. These projects are in Thailand, Vietnam, and the Philippines.

1. Vietnam (VKPC, Northern Vietnam)  
This packaging paper expansion project adds 370,000 tons per year to production capacity, accounting for 75% of the current production capacity. The investment cost was approximately Baht 11,793 million, and it's expected to be operational in the beginning of 2024.
2. Thailand and Vietnam (foodservice packaging production investments)  
The expansion adds 1,838 million pieces per

year to production capacity, accounting for 25% of current production capacity, to meet the increasing foodservice packaging demand from countries outside ASEAN. The investment cost was approximately Baht 631 million, with details as follows:

- 2.1 The expansion project for pressboard foodservice packaging at Ratchaburi plant in Thailand, and Binh Duong plant in Vietnam, add 1,615 million pieces per year to production capacity. Commercial start-up is expected in the first quarter of 2022.
- 2.2 The expansion project for molded pulp foodservice packaging at Kanchanaburi plant in Thailand adds 223 million pieces per year to production capacity. Commercial start-up is expected in the second quarter of 2022.

3. The Philippines, Bulacan City (UPPC #3) This packaging paper expansion project adds 220,000 tons per year to production capacity, accounting for 95% of the current production capacity. The investment cost was approximately Baht 5,388

million, and it's expected to be operational at the beginning of 2022.

The Company has used capital expenditure in the past to expand its operations, for maintenance and improvements of production,

plant, and equipment. Most of the Company's capital expenditures during the track record period are related to maintenance, expansion plans and implementation of measures on efficient capital spending and sustainability.

**Table 7: SCGP's capital expenditures**

Unit : Baht million

	Year		
	2021	2020	2019 <sup>(2)</sup>
Machine maintenance	2,768	2,924	2,680
Expansion	1,653	3,195	2,573
Cost Optimization and Sustainability	1,040	962	547
Greenfield	32	36	145
Debottlenecking	468	401	358
Others <sup>(1)</sup>	454	208	1,611 <sup>(3)</sup>
<b>Total capital expenditures</b>	<b>6,415</b>	<b>7,726</b>	<b>7,914</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.

<sup>(2)</sup> This includes capital expenditures of Fajar and Visy Packaging Thailand following the merger of the two companies in 2019, Fajar's capital expenditures for 2019 amounted to Baht 810 million.

<sup>(3)</sup> The increase in other capital expenditures for 2019 was mainly due to the capital expenditures of the Surabaya plant of Fajar.

In 2021, the capital expenditures associated with the Company's expansion projects were mainly towards increasing the production capacity of its flexible polymer packaging business, packaging paper business, and foodservice packaging business which are aligned with the integrated business expansion strategy (both vertical and horizontal) and foodservice packaging customer base expansion.

**Factors that may significantly affect the Company's future operations or financial position, including the risk management involved**

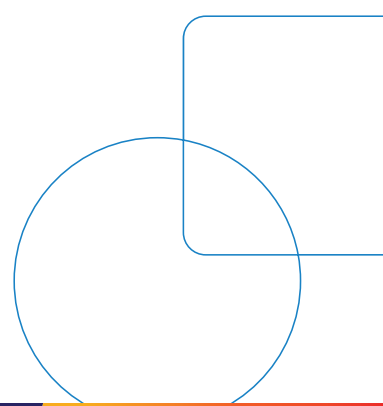
The ASEAN regional economic situation in 2022 tends to slowly recover after strict pandemic suppression measure has been easing in many countries from the third quarter of 2021 onwards. In 2022, the export segment will likely to be an essential part of driving economies. However, regarding production costs, freight rates in the region would remain to be heightened affecting all manufacturing sectors. In addition, Inflationary pressure and logistics bottlenecks are to be monitored. Furthermore, the pandemic situation with high infection rates in each particular time period may cause fluctuation in product demands. However, the packaging business is still a vital part of the supply chain to serve the growing demands of consumers in ASEAN.

SCGP continues to expand business operation through organic and M&Ps investment. In 2022, the financial consolidation of latest completed M&P deals would be in a full year basis while the Company is pursuing gradual ramping up of organic expansions that were completed in 2021. At the same time, SCGP relentlessly develops and offers unique packaging solutions and

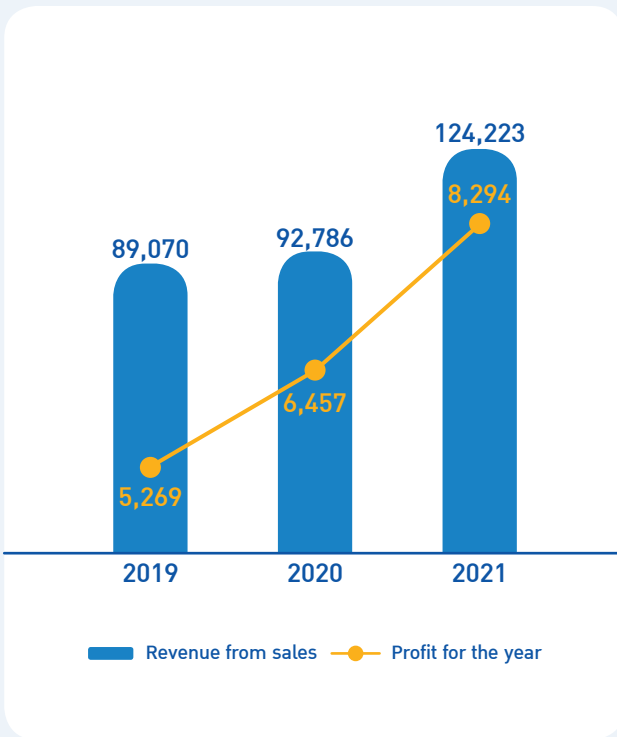


services for customers and the evolving consumer trends. Under a volatile economic and business environment, SCGP commits to a proactive business continuity management to minimize risk by

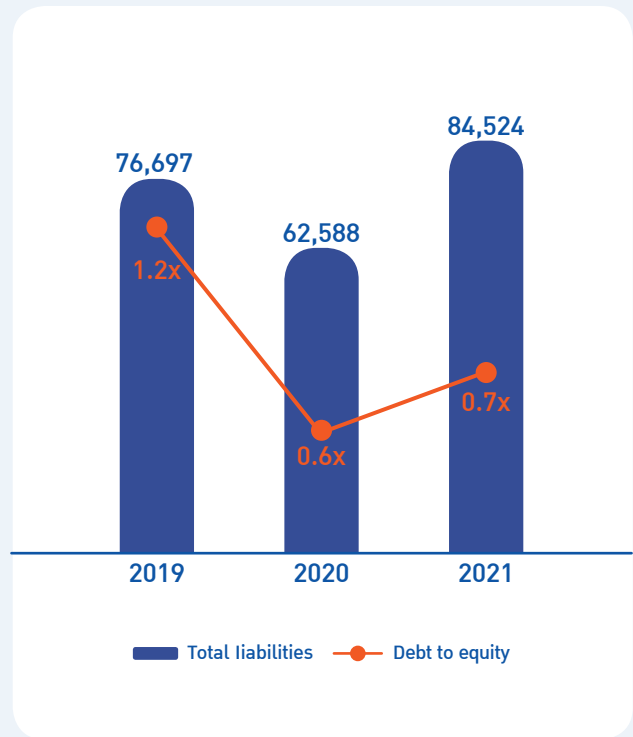
focusing on operational excellence and prudent cost management along the supply chain. Lastly, SCGP maintains our emphasis on the elevated ESG target - moving toward Net Zero by 2050.



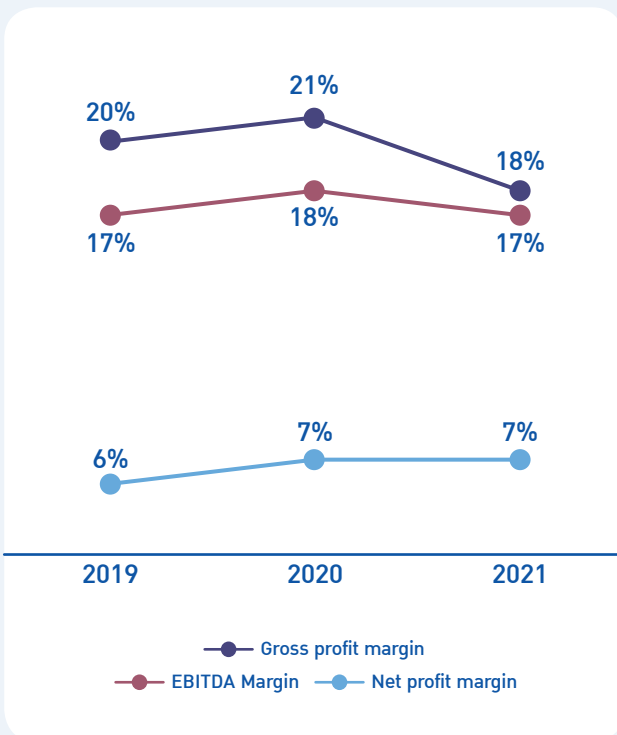
### Revenue from sales and Profit for the year<sup>1</sup> (Baht million)



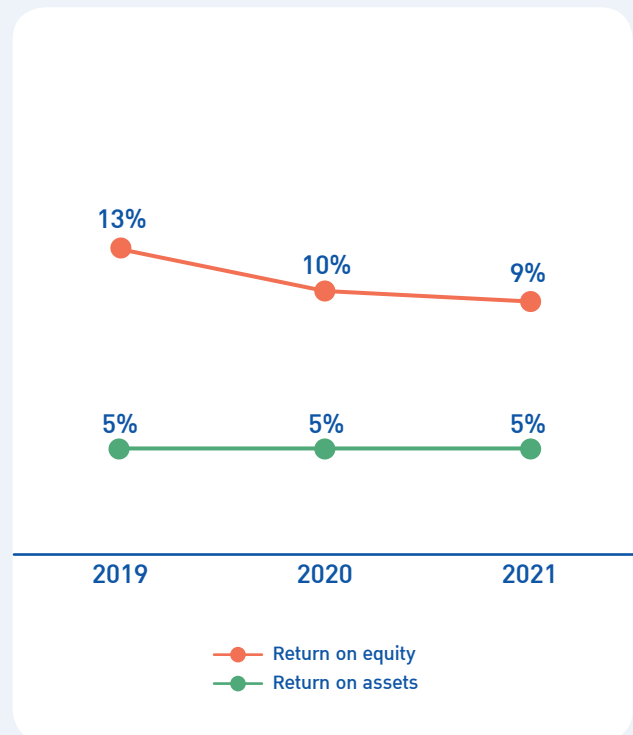
### Total liabilities (Baht million) and Debt to equity ratio (Times)



### Profitability margin (%)



### Return on equity<sup>2</sup> and Return on assets (%)



**Remarks:**

<sup>1</sup>Profit for the year attributable to owners of the parent

<sup>2</sup>Year 2020, Equity increased approximately Baht 4,000 million from IPO fundraising

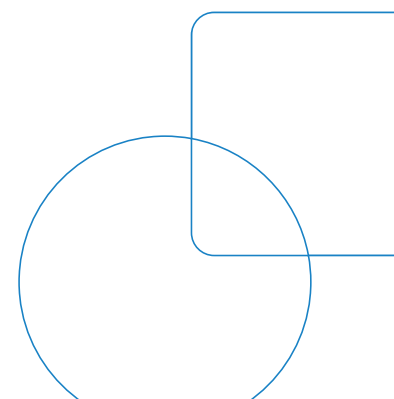
## Summary of Significant Financial Information (3-Year Comparison)

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

As at 31 December 2021, 2020 and 2019

Unit : Baht million

Assets	2021	%	2020	%	2019	%
<b>Current assets</b>						
Cash and cash equivalents	7,310	3.5	31,256	18.1	4,394	3.1
Investments in short-term debt instruments	12,912	6.2	1,630	0.9	565	0.4
Trade and other current receivables	24,910	12.0	16,334	9.5	15,198	10.9
Advance payment for assets	571	0.3	807	0.5	1,716	1.2
Inventories	23,308	11.3	12,760	7.4	13,276	9.6
Other current assets	175	0.1	132	0.1	234	0.2
<b>Total current assets</b>	<b>69,186</b>	<b>33.4</b>	<b>62,919</b>	<b>36.5</b>	<b>35,383</b>	<b>25.4</b>
<b>Non-current assets</b>						
Investments in associates	873	0.4	823	0.5	771	0.6
Other non-current receivables	741	0.4	603	0.3	981	0.7
Investment property	138	0.1	144	0.1	187	0.1
Property, plant and equipment	97,181	47.0	87,271	50.6	82,864	59.4
Goodwill	29,483	14.3	18,624	10.8	17,612	12.6
Other intangible assets	7,750	3.7	813	0.5	814	0.6
Deferred tax assets	921	0.4	972	0.6	745	0.5
Others non-current assets	551	0.3	260	0.1	156	0.1
<b>Total non-current assets</b>	<b>137,638</b>	<b>66.6</b>	<b>109,510</b>	<b>63.5</b>	<b>104,130</b>	<b>74.6</b>
<b>Total assets</b>	<b>206,824</b>	<b>100.0</b>	<b>172,429</b>	<b>100.0</b>	<b>139,513</b>	<b>100.0</b>



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

As at 31 December 2021, 2020 and 2019

Unit : Baht million

Liabilities and shareholders' equity	2021	%	2020	%	2019	%
<b>Current liabilities</b>						
Bank overdrafts and short-term borrowings from financial institutions	30,547	14.8	15,080	8.7	7,132	5.1
Trade and other current payables	15,261	7.4	10,365	6.0	10,059	7.2
Current portion of long-term borrowings from financial institutions	1,865	0.9	16,302	9.5	2,183	1.6
Current portion of lease liabilities	477	0.2	427	0.3	88	0.1
Short-term borrowings from related parties	-	-	-	-	33,827	24.2
Corporate income tax payable	609	0.3	888	0.5	605	0.4
Other current liabilities	3,217	1.6	175	0.1	120	0.1
<b>Total current liabilities</b>	<b>51,976</b>	<b>25.2</b>	<b>43,237</b>	<b>25.1</b>	<b>54,014</b>	<b>38.7</b>
<b>Non-current liabilities</b>						
Long-term borrowings from financial institutions	16,671	8.1	12,052	7.0	16,319	11.7
Lease liabilities	1,718	0.8	1,067	0.6	35	-
Debenture	5,493	2.7	-	-	-	-
Deferred tax liabilities	4,492	2.2	2,403	1.4	2,874	2.1
Non-current provisions for employee benefits	3,878	1.8	3,598	2.1	3,375	2.4
Other non-current liabilities	296	0.1	231	0.1	80	0.1
<b>Total non-current liabilities</b>	<b>32,548</b>	<b>15.7</b>	<b>19,351</b>	<b>11.2</b>	<b>22,683</b>	<b>16.3</b>
<b>Total liabilities</b>	<b>84,524</b>	<b>40.9</b>	<b>62,588</b>	<b>36.3</b>	<b>76,697</b>	<b>55.0</b>
<b>Shareholders' equity</b>						
Share capital						
Authorized share capital - Ordinary share	4,500		4,500		4,500	
Issued and paid share capital - Ordinary share	4,293	2.1	4,293	2.5	3,126	2.2
Share premium	40,860	19.8	40,860	23.7	1,935	1.4
Other deficits	(1,445)	(0.7)	(448)	(0.3)	(1,362)	(1.0)
Retained earnings						
Appropriated - Legal reserve	450	0.2	338	0.2	219	0.2
- General reserve	3	-	3	-	3	-
Unappropriated	52,106	25.1	46,836	27.2	41,930	30.1
Other components of shareholders' equity	570	0.3	(3,144)	(1.8)	(2,899)	(2.1)
<b>Total equity attributable to owners of the parent</b>	<b>96,837</b>	<b>46.8</b>	<b>88,738</b>	<b>51.5</b>	<b>42,952</b>	<b>30.8</b>
Non-controlling interests	25,463	12.3	21,103	12.2	19,864	14.2
<b>Total shareholders' equity</b>	<b>122,300</b>	<b>59.1</b>	<b>109,841</b>	<b>63.7</b>	<b>62,816</b>	<b>45.0</b>
<b>Total liabilities and shareholders' equity</b>	<b>206,824</b>	<b>100.0</b>	<b>172,429</b>	<b>100.0</b>	<b>139,513</b>	<b>100.0</b>

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

For the year ended 31 December 2021, 2020 and 2019

Unit : Baht million

	2021	%	2020	%	2019	%
Revenue from sales	124,223	100.0	92,786	100.0	89,070	100.0
Cost of sales	(101,345)	(81.6)	(73,333)	(79.0)	(71,651)	(80.4)
<b>Gross profit</b>	<b>22,878</b>	<b>18.4</b>	<b>19,453</b>	<b>21.0</b>	<b>17,419</b>	<b>19.6</b>
Gain on exchange rate	317	0.3	-	-	250	0.3
Other income	2,215	1.8	603	0.6	714	0.8
<b>Profit before expenses</b>	<b>25,410</b>	<b>20.5</b>	<b>20,056</b>	<b>21.6</b>	<b>18,383</b>	<b>20.7</b>
Distribution costs	(6,820)	(5.5)	(5,149)	(5.5)	(4,801)	(5.4)
Administrative expenses	(5,755)	(4.6)	(4,992)	(5.4)	(4,426)	(5.0)
Employee benefit expense from the amended severance pay of the Labor Law	-	-	-	-	(527)	(0.6)
Loss on exchange rate	-	-	(222)	(0.2)	-	-
<b>Total expenses</b>	<b>(12,575)</b>	<b>(10.1)</b>	<b>(10,363)</b>	<b>(11.1)</b>	<b>(9,754)</b>	<b>(11.0)</b>
<b>Profit from operations</b>	<b>12,835</b>	<b>10.4</b>	<b>9,693</b>	<b>10.5</b>	<b>8,629</b>	<b>9.7</b>
Finance costs	(1,180)	(0.9)	(1,452)	(1.6)	(1,742)	(2.0)
Share of profit of associates accounted for using equity method	57	-	66	0.1	53	0.1
<b>Profit before income tax</b>	<b>11,712</b>	<b>9.5</b>	<b>8,307</b>	<b>9.0</b>	<b>6,940</b>	<b>7.8</b>
Tax expense	(2,065)	(1.7)	(1,001)	(1.1)	(1,049)	(1.2)
<b>Profit for the year</b>	<b>9,647</b>	<b>7.8</b>	<b>7,306</b>	<b>7.9</b>	<b>5,891</b>	<b>6.6</b>
Profit attributable to						
<b>Owners of the parent</b>	<b>8,294</b>	<b>6.7</b>	<b>6,457</b>	<b>7.0</b>	<b>5,269</b>	<b>5.9</b>
Non-controlling interests	1,353	1.1	849	0.9	622	0.7
	9,647	7.8	7,306	7.9	5,891	6.6
Basic earnings per share (in Baht) Attributable to owners of the parent	1.93		1.95		1.69	

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

For the year ended 31 December 2021, 2020 and 2019

Unit : Baht million

	2021	2020	2019
<b>Profit for the year</b>	<b>9,647</b>	<b>7,306</b>	<b>5,891</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange differences on translating financial statement	5,005	(408)	(1,147)
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Gain on investments in equity instruments measured at fair value	2	-	-
Gain (loss) on remeasurements of defined benefit plans	137	(159)	(200)
Share of other comprehensive income of associates accounted for using equity method	8	(4)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(26)	34	39
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>121</b>	<b>(129)</b>	<b>(161)</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>5,126</b>	<b>(537)</b>	<b>(1,308)</b>
<b>Total comprehensive income for the year</b>	<b>14,773</b>	<b>6,769</b>	<b>4,583</b>
Total comprehensive income attributable to			
<b>Owners of the parent</b>	<b>12,100</b>	<b>6,111</b>	<b>4,332</b>
Non-controlling interests	2,673	658	251
	<b>14,773</b>	<b>6,769</b>	<b>4,583</b>



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

For the year ended 31 December 2021, 2020 and 2019

Unit : Baht million

	2021	2020	2019
<b>Cash flows from operating activities</b>			
Profit for the year	9,647	7,306	5,891
<b>Adjustments for</b>			
Tax expense	2,065	1,001	1,049
Depreciation and amortization	8,315	7,183	5,991
Expected credit loss (reversal)	(59)	(6)	32
Loss on inventories devaluation (reversal)	90	(35)	93
Non-current employee benefit expense	370	352	832
Loss (gain) on foreign currency exchange	(209)	350	(164)
Share of profit of associates accounted for using equity method	(57)	(66)	(53)
Interest income	(197)	(217)	(114)
Interest expense	1,180	1,387	1,651
Loss on impairment of assets	132	-	37
Loss (gain) on measured at fair value and others	(1,405)	3	(277)
<b>Cash flows generated from operations before changes in operating assets and liabilities</b>	<b>19,872</b>	<b>17,258</b>	<b>14,968</b>
<b>Decrease (increase) in operating assets</b>			
Trade and other current receivables	(4,903)	(646)	2,422
Inventories	(6,882)	725	2,199
Other assets	(209)	(253)	57
<b>Net decrease (increase) in operating assets</b>	<b>(11,994)</b>	<b>(174)</b>	<b>4,678</b>

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

For the year ended 31 December 2021, 2020 and 2019

Unit : Baht million

	2021	2020	2019
<b>Increase (decrease) in operating liabilities</b>			
Trade and other current payables	2,224	228	(1,985)
Non-current provisions for employee benefits	(185)	(281)	(139)
Other liabilities	(169)	186	66
<b>Net increase (decrease) in operating liabilities</b>	<b>1,870</b>	<b>133</b>	<b>(2,058)</b>
<b>Net cash flows generated from operations</b>	<b>9,748</b>	<b>17,217</b>	<b>17,588</b>
Income tax paid	(2,247)	(1,489)	(1,574)
<b>Net cash flows provided by operating activities</b>	<b>7,501</b>	<b>15,728</b>	<b>16,014</b>
<b>Cash flows from investing activities</b>			
Acquisitions of subsidiaries, net of cash acquired	(13,779)	(2,708)	(24,022)
Acquisitions of debt instruments	(11,038)	(481)	(716)
Proceeds from sales of property, plant and equipment	21	23	521
Acquisitions of property, plant and equipment	(6,191)	(7,568)	(7,914)
Acquisitions of other intangible assets	(224)	(158)	(88)
Proceeds from short-term loans to related parties	7	5	207
Dividends received	14	8	12
Interest received	194	207	110
<b>Net cash flows used in investing activities</b>	<b>(30,996)</b>	<b>(10,672)</b>	<b>(31,890)</b>

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

For the year ended 31 December 2021, 2020 and 2019

Unit : Baht million

	2021	2020	2019
<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	-	2,557	194
Payments of changes in ownership interests in subsidiaries that do not result in a loss of control	(1,410)	(547)	(192)
<b>Proceeds from (payments of) borrowings</b>			
Proceeds from bank overdrafts and short-term borrowings from financial institutions	12,454	7,734	36
Increase (decrease) in short-term borrowing from related parties	-	(33,826)	10,415
Proceeds from long-term borrowings from financial institutions	5,000	15,328	13,137
Payments of long-term borrowings from financial institutions	(17,335)	(5,652)	(1,577)
Payments of lease liabilities	(549)	(490)	(65)
Proceeds from issuance of debenture	5,500	-	-
<b>Net increase (decrease) in borrowings</b>	<b>5,070</b>	<b>(16,906)</b>	<b>21,946</b>
<b>Dividends paid</b>			
Dividends paid to owners of the parent	(3,004)	(1,313)	(1,737)
Dividends paid to non-controlling interests	(518)	(667)	(221)
<b>Total dividends paid</b>	<b>(3,522)</b>	<b>(1,980)</b>	<b>(1,958)</b>
Interest and other finance costs paid	(1,180)	(1,426)	(1,733)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(1,042)</b>	<b>21,790</b>	<b>18,257</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(24,537)</b>	<b>26,846</b>	<b>2,381</b>
Effect of exchange rate changes on cash and cash equivalents	591	16	(82)
Cash and cash equivalents at beginning of the year	31,256	4,394	2,095
<b>Cash and cash equivalents at end of the year</b>	<b>7,310</b>	<b>31,256</b>	<b>4,394</b>
<b>Supplementary information for cash flows</b>			
<b>Non-cash transactions at end of the year</b>			
Account payables from purchase of assets	517	706	979
Accrued investments	3,665	573	961
Stock dividends	-	-	1,563

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

		Consolidated Financial Statements		
		2021	2020	2019
<b>Liquidity Ratio</b>				
1	Current Ratio (Times)	1.33	1.46	0.66
2	Quick Ratio (Times)	0.82	1.09	0.34
3	Cash Flow Liquidity Ratio (Times)	0.16	0.32	0.35
4	Account Receivable Turnover (Times)	6.69	6.54	6.73
5	Collection Period (Days)	55	56	54
6	Inventory Turnover (Times)	22.03	19.25	17.69
7	Inventory Turnover Period (Days)	17	19	21
8	Account Payable Turnover (Times)	10.48	9.68	10.04
9	Payment Period (Days)	35	38	36
10	Cash cycle (Days)	37	37	39
<b>Profitability Ratio</b>				
11	Gross Profit Margin (%)	18.42	20.97	19.56
12	EBITDA Margin (%)	17.03	18.19	17.01
13	Net Profit Margin (%)	6.68	6.96	5.91
14	Return on Equity (%)	8.94	9.81	12.63
<b>Efficiency Ratio</b>				
15	Return on Assets (%)	5.09	4.68	5.06
16	Return on Fixed Assets (%)	19.05	16.84	16.67
17	Assets Turnover (Times)	0.67	0.60	0.77
<b>Financial Policy Ratio</b>				
18	Debt to Equity Ratio (Times)	0.69	0.57	1.22
19	Interest-bearing Debt to Equity Ratio (Times)	0.46	0.41	0.95
20	Interest Coverage Ratio (Times)	17.92	11.62	8.70
21	Debt Service Coverage Ratio (Times)	0.64	0.53	0.35
22	Interest-bearing Debt to EBITDA (Times)	2.68	2.66	3.93
23	Net Debt to EBITDA (Times)	1.73	0.71	3.61
24	Dividends Payout Ratio (%)	33.64	29.92	57.89



**Remarks:**

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

# 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

Website: <http://www.set.or.th>

## Registrar of Debenture

### Bank of Ayudhya Public Company Limited

1222 Rama III Road, Bang Phongphang,  
Yannawa, Sathorn, Bangkok 10120

Tel: +66 2296 2000

## Auditor

### KPMG Phoomchai Audit Ltd. By

- Mr. Vairoj Jindamaneepitak  
(Certified Public Accountant  
Registration No. 3565); or
- Ms. Thanyalux Keadkeaw  
(Certified Public Accountant  
Registration No. 8179); or
- Ms. Dussanee Yimsuwan  
(Certified Public Accountant  
Registration No. 10235)

48<sup>th</sup> - 50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa,  
Sathorn, Bangkok 10120  
Tel: +66 2677 2000

### **Debenture Holders' Representative**

#### **Bangkok Bank Public Company Limited Securities Service Department**

333 Silom Road, Bang Rak, Bangkok, 10500

E-mail: dhr.grp@bangkokbank.com

Fax: +66 2626 4545-6

### **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 at 31 December 2021, SCGP and its subsidiaries are not involved in any litigation or legal action, and are not a party in any dispute that is not yet resolved, that SCGP believes 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 2021,

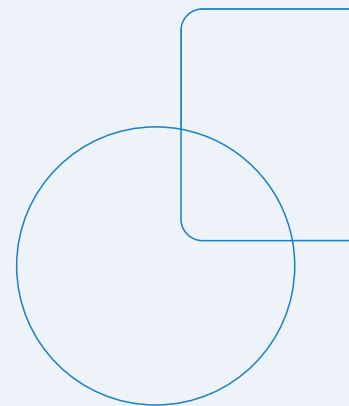
or that could significantly affect business operations of SCGP or its subsidiaries but the amount cannot be determined; and they are not involved in any other cases that are outside normal business operations. However, they may occasionally be involved in legal proceedings or be a party in litigation 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 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
- Krung Thai Bank Public Company Limited
- Bank of Ayudhya Public Company Limited



# Corporate Governance

## Corporate Governance Policy

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

The Board of Directors, executives and employees see that their roles 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 all 8 principles of good corporate governance for listed companies in 2017, or the Corporate Governance Code (CG Code) recommended by the Office of the Securities and Exchange Commission. As part of its roles and responsibilities, the Board regularly reviews its policies and guidelines following the CG Code and other guidelines for good corporate governance at the international level.

In addition, SCGP has published the Corporate Governance Handbook on its website ([www.scgpackaging.com](http://www.scgpackaging.com)). This categorizes corporate governance policies and practices for ease of use and ensuring that they are all up to date.

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 Policy, 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 in parallel to SCGP's visions of sustainable operation and published in the SCG Packaging Corporate Governance Handbook, which are intended to be clearly understood and implemented by the Board of Directors, executives and employees in the same way, whether SCGP or subsidiaries in Thailand and abroad. The contents of the Corporate Governance Handbook are as follows:

Corporate Governance Handbook	
<b>Part 1 SCG Packaging's Structure and Mechanisms for Corporate Governance</b>	
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
<b>Part 2 SCG Packaging's Corporate Governance Policies and Guidelines</b>	
<b>2.1 Policies and Guidelines for Directors and Executives</b>	
2.1.1* Charter of the Board of Directors	2.1.6* Policy on Qualification and Nomination of Company Directors
2.1.2* Charter of the Audit Committee	2.1.7 Scope of Duties and Responsibilities of the Chief Executive Officer
2.1.3* Charter of the Corporate Governance and Nomination Committee	2.1.8 Policy and Guidelines on the Chief Executive Officer and Top Executives Holding Directorships in Organizations outside SCGP
2.1.4* Charter of the Remuneration Committee	
2.1.5 Independent Director's Qualifications	
<b>2.2 Corporate Management Policies and Practices</b>	
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 Conflict 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 Business	
<b>2.3 Policies and Guidelines for Key Stakeholders</b>	
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/Added in 2021

The Corporate Governance Handbook is available on the 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 guidelines of directors, executives, and employees of SCGP and its subsidiaries when conducting business. These elements will not only bring up fairness and transparency but also generate returns and long-term values for shareholders. This also includes building stakeholder trust and promoting SCGP's competitiveness and sustainable growth, which can be summarized as follows:

### 1.1 SCG Packaging's Core Values

SCGP and its subsidiaries operates 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 SCGP and its subsidiaries' staff are obliged to observe the principles and guidelines set forth in the Code of Conduct. The Code of Conduct will help ensure that all staff are aligned with SCGP's philosophy, and that directors can serve as role models – by being good citizens when handling business dealings with all countries, and create value and the best 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 also adhering to its values. It also balances benefits and happiness in a sustainable manner – with SCGP's directors serving as role models in this respect. Similarly, the Corporate Governance and Nomination Committee supervises and sets 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 SCG Packaging's Corporate Governance Policies and Guidelines

The Board of Directors has devised corporate governance policies and guidelines for directors and top executives. They also cover how to manage business 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

Policies and guidelines 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, the qualifications of independent directors, the policy on the director qualification criteria and nominations, the scope of roles and responsibilities of the Chief Executive Officer; and the guidelines on the Chief Executive Officer and the top executives holding directorships in other organizations:

### 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 business 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 the Code of Conduct and bearing in mind the 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 international competitiveness, as well as supervising administration and management in accordance with policies, 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 selecting and determining compensation for Board and sub-committee members, and establish the supervision mechanisms for directors, and processes 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) Ensure effective CEO and people management** – considering the organizational structure, executive development plan and the Chief Executive Officer’s succession plan. The Chief Executive Officer’s 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. Also, it must 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 corruption risks, and the abuse of power, and prevent illegal acts.

**(7) Ensure disclosure and financial integrity** – having SCGP and its subsidiaries act with integrity when handling SCGP’s financial reporting system, and ensuring that SCGP accurately discloses material information in a way that is 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 minutes. The rights of all shareholders must be respected, they must be treated with fairness and transparency.

Besides, 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 can be discussed in details below.

#### **Roles and Duties of the Chairman**

The Chairman of the Board is responsible for determining the agenda for every Board of Directors meeting with the Chief Executive Officer, and making sure 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, support the Chief Executive Officer and the management team to follow 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 beneficial 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 operate a business of the same nature as SCGP or a subsidiary’s business, or one that is in competition, unless they notify at the shareholders’ meeting before they are appointed. Independent directors must be independent from management and major shareholders. They must not be involved or have any invested interest in the management and finances of 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 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 of no meeting, the management team shall report performance to the Board of Directors so that they supervise management's performance regularly and on time. There should be a meeting between non-executive directors (without the management team) held as regularly as necessary. Directors should attend at least 80% of meetings. Each director should attend at least 75% of 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's secretary is responsible for preparing and sending 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 meeting 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 to review the vision, mission, strategy, operational plans, Risk Management

Policy, annual budget and business plans, medium-term business plans, and performance goals. The delegation must also assess monitoring and evaluation results, capital expenditures, significant related-party transactions, mergers, settlers, 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, it will review the financial reporting system and disclosures of information in the financial statements to make sure they meet with 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 management, and approving work plans, budgets and audit team manpower. Lastly, the Internal Audit Committee must approve the appointment, removal, transfer or termination of the Director of the Internal Audit Office.

In addition, the Charter sets out that the Audit Committee must hold meetings at least every 3 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 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' remuneration before proposing it to the Board of Directors to request an approval at the annual general meeting of shareholders. It also achieves directors' development plans and suggests methods to evaluate the Board of Directors, sub-committees, and the Chairman of the Board.

In addition, the Charter sets out the composition of the Corporate Governance and Nomination Committee: it must consist of at least three directors – most of them 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 duties, responsibilities and qualifications. The committee evaluates the performance of senior executives individually and proposes their 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 for this. The Remuneration Committee establishes succession plans 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 – most of them must 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 Independent Director's Qualifications**

SCGP has set independent director qualifications to prevent any impact on his/her independent judgment. It is more intensified than the requirements of the Capital Market Supervisory Board 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. This shall include the shareholding of related persons of that independent director. In addition, the Company ensures that independent directors are able to

attend a Board of Directors' meeting to make decisions independently, equally safeguard all shareholders' benefits; and prevent any conflict of interest.

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

To ensure diversity and that directors have the appropriate knowledge and expertise fit with business requirements, the clear, efficient and transparent nomination procedures that also support the participation of shareholders should be in place. The Board of Directors has devised a policy to determine the qualifications of the directors and nomination procedures. That is, 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. 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 include 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

and support the implementation of strategies. All of which 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 such 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.

#### **2.1.7 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, 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, 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, SCGP and its subsidiaries' internal control system as well as other operational aspects to make sure they comply with policies, the business plan, laws, regulations, Articles of Association, objectives 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.

#### 2.1.8 Policy 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 or other companies that SCGP invests in if they are public or private organizations established for a common benefit, 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 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 – balancing economic, social and environmental aspects.

- **Economy** – creating value and meeting the needs and expectations of all stakeholders; increasing the organization's ability to cope 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 for a better 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, and 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 make certain of the enforcement of the clear-cut anti-corruption policy that

is suitable for the operation. The Audit Committee shall provide some advice and follow up the compliance with the Anti-corruption policy. The Company 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 and implemented. No corruption is tolerated at the Company. 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-led risk assessments, provide some advice on initiating the measures and guidelines of corruption-related risk prevention, which must be presented 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, 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. 21/2008 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 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 Conflict of Interest Policy**

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. 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 timely acknowledge the relations and the transactions with the Company and subsidiaries that could pose a conflict of interest before a transaction. So, the Company can oversee and tackle a potential conflict of interest between the Company/subsidiaries and directors,

executives or stakeholders; avoid a misuse of assets, information and opportunities of the Company and subsidiaries, and prevent a transaction with a person connected to the Company and subsidiaries that are not consistent with the connected transaction policy.

### **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 use power over the market in the wrong way 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, make agreements with competitors, partners or customers to reduce or limit market competition, compliance with the antitrust law, or that impede ethics and awareness raising among SCGP's business partners on legal compliance.

### **2.2.8 Whistleblowing Policy**

SCGP established a system to receive complaints and take action if there is an indication of violation of the law, regulations, SCGP's Articles of Associations and the Code of Conduct, or behavior that is conducive to corruption. The Company 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 through the intranet system and select the person who should receive their complaint – their supervisor, the HR Director,

the Internal Audit Office Director, 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.

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

SCGP has the policy on investment in businesses that is in line with SCGP's goals, vision and strategic plans and is intended to support the Company's business operations. This also applies to businesses with related or similar characteristics or potentials to bring benefits (synergies) to SCGP's current businesses, which can, in turns, 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 established 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. Appointed

directors must 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' meeting (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. This framework also aims to create a risk management culture at the Company.

#### **2.2.12 Disclosure Policy**

SCGP is committed to complying with all applicable disclosure laws in all countries where SCGP has, or will have business deals. 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 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 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, reporting on holds and changes in securities and derivatives, as well as the protection and use of insider information.

With regard to information technology management and security measures for information technology systems, SCGP has provided guidelines 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 does not alter, duplicate, delete or destroy its information. Also, SCGP does not disclose information in its information system without permission. It has also established a security system to prevent unauthorized access and use of confidential files and documents. This also ensures that the information technology system is used in accordance with access 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 and society. They must also comply with the country's laws and international requirements in relevant binding treaties. These



# พร้อมเติบโตด้วยรูปแบบการดำเนินงาน ธุรกิจ แบบบูรณาการทั้งแนวนอนและแนวตั้ง

**บรรจุภัณฑ์ปฐมภูมิ สำหรับบรรจุสินค้า (Primary Packaging)**

**บรรจุภัณฑ์ทุติยภูมิ สำหรับแสดงสินค้า (Secondary Packaging)**

**บรรจุภัณฑ์ตติยภูมิ สำหรับขนส่ง (Tertiary Packaging)**

**บริการออกแบบครบวงจร (Service Bundling)**

**สายธุรกิจบรรจุภัณฑ์แบบครบวงจร (Integrated Packaging Chain)**  
 บรรจุภัณฑ์จากวัสดุสูงระดับสูง และพอลิเอสเตอร์  
 บรรจุภัณฑ์จากเยื่อและกระดาษ กระดาษบรรจุภัณฑ์

**สายธุรกิจเยื่อและกระดาษ (Fibrous Chain)**  
 บรรจุภัณฑ์อาหาร กระดาษพิมพ์เขียน ผลิตภัณฑ์เยื่อประเภทต่าง ๆ

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 shall be an inspection and a follow-up of an action and a solution of human right infringement; and support remedial measures after related impacts occur.

**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’s staff and outsider.

**2.2.16 SCGP Privacy Policy**  
 The Board of Directors has approved SCGP Privacy Policy in order to set forth the clear and appropriate structures, mechanisms and measures for personal data management that are in accordance with Privacy Laws. This includes appointing a Personal Data Protection Committee and a Personal Information Protection Officer to oversee and manage the policy’s implementation. The Officer is also responsible for evaluating and

reviewing operating standards and practices to ensure they are in line with laws and policies set by the Board.

**2.2.17 Tax policy**  
 SCGP adheres to conducting its business with ethics, and responsibility to society and all stakeholders. For this reason, the Tax Policy is established to ensure that the 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 invaluable asset, requiring all staff to respect and avoid an infringement of the 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 innovation and technology development culture for the 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 Company’s operation and the 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 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 awareness of, and promotes 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 benefits and satisfactions 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, reusing where possible, saving energy and ensuring durability. SCGP produces safe products and services which are not harmful to consumers' 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 and SCGP's Code of Conduct. It also establishes reasonable and fair purchase prices by taking into account the quality and services provided. There are also clear regulations for procurement and operations – 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 SCGP Suppliers and Business Partners to ensure ethical business conduct and uphold its responsibility towards society and the environment. SCGP also refuses to conduct business with a 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 its 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 also cooperates with government agencies in providing academic assistance or support for various activities. It is also 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 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.

The subsidiaries’ Board of Directors will consider their respective dividend policies, which must be approved at the subsidiaries’ shareholders’ meeting

each year and take into account various factors that mainly benefit shareholders.

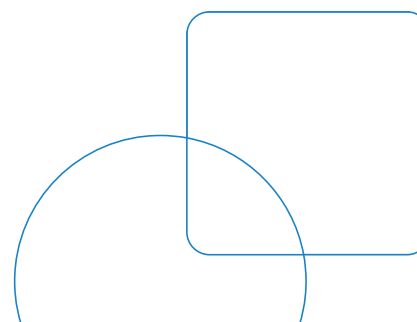
**2.3.3 Policy and Guidelines for the Procurement and Selection of Vendors of SCG Packaging**

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 a 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 the SCG Packaging’s Code of Conduct, and is dedicated to sustainable and balanced benefits. SCGP has prepared the SCG Packaging’s Code of Conduct as an operational handbook for directors, management and employees of all levels. Having a 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.

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:

Corporate Values	Care of Property
1 Human and Labor Rights	7 Handling of Information and Assets (including intellectual property)
2 Environment, Health and Safety	8 Information Disclosures and Communication
Concern of Ethics	Conduct of Business
3 Anti-corruption	9 SCG Packaging’s Transactions
4 Gifts and Entertainment	10 Doing Business Abroad and International Trade
5 Conflict of Interest	11 Business Competition
6 Political Activities	12 Anti-Laundering Measures

In 2021, 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. These are intended to be applied in SCGP and its subsidiaries, both in Thailand and overseas. SCGP has published SCG Packaging’s Code of Conduct on its website: ([www.scgpackaging.com](http://www.scgpackaging.com)).

SCGP produces self-learning video 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 SCG Packaging’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 an official punishment.

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

SCGP adopted the principles of good corporate governance for listed companies in 2017, or the Corporate Governance Code (CG Code). This has been applied to SCGP's business to create sustainable value and benefits. The Board of Directors required at least an annual meeting of the review of the charters and the policies of SCGP corporate governance to increase efficiency and raise its standards on corporate governance so that they are in line with CG Code and good corporate governance practices, domestically and internationally. In this, the Corporate Governance and Nomination Committee reviewed and gave advice to the Board of Directors on the structure, roles and responsibilities, and practices of the Board of Directors and the Sub-committees. It also reviewed the amendments of the charter and policies of the Board of Directors to ensure that they are appropriate and remain up to date.

In 2021, the Board of Directors reviewed the application of the CG Code to SCGP and appraised the Board's performance against the CG Code. The results of the Board's performance evaluation against the 8 principles of CG Code were scored more than 90%, which the Company regarded as pass. This proved that the Board of Directors have a clear understanding of the principles and guidelines of the CG Code and is able to create the value of sustainable business. In addition, to respond to the ever-changing and diversified business landscapes and overseas operations in 2021, the Board of Directors has approved additional corporate governance policies and practices as listed below:

- Intellectual Property Policy;
- Tax Policy;
- Diversity and Inclusion Policy;
- Practice in Case of the Board of Directors' Conflict of Interests; and
- Board of Directors Development Practice.

Moreover, the Board of Directors reviewed the corporate governance policies and resolved to give green light to revision of the following corporate governance policies, as proposed by the Corporate Governance and Nomination Committee. The aim is to ensure that SCGP's good corporate governance practices are appropriate and consistent with business strategies, technological progresses, social conditions, legal requirements and corporate governance guidelines in both national and global dimensions. Corporate governance policies and guidelines revised in 2021 are as follows:

- SCG Packaging's Code of Conduct;
- SCG Packaging's Corporate Governance Structure;
- Charters of the Board of Directors and Three Sub-committees;
- Charter of the Internal Audit Office
- Policy on Qualification and Nomination of Company Directors
- Anti-corruption Policy;
- Prevention of Conflict of Interest Policy;
- Human Rights Policy; and
- Performance Assessment Forms for the Board and the Sub-committees.

In 2021, SCGP promoted the granting of rights to shareholders aside from voting rights, such as submitting questions in advance for the 2021 general meeting of shareholders to voice opinions and ask the Company on the agenda. Also, it facilitated shareholders, including institutional

investors, both those attending in person and by power of attorney. In this, the Company sent attorney forms (A), (B) and (C), together with the notice of the meeting, to the shareholders. Moreover, the shareholders can also download them on the Company's website. The shareholders were granted the rights to propose meeting agendas and nominate qualified candidates for the directors ahead of the 2022 Annual General Meeting of Shareholders, during the period of August 2 to November 2, 2021. These new rights were announced on the website of SCGP ([www.scgpackaging.com](http://www.scgpackaging.com)) and that of the Stock Exchange of Thailand.

SCGP provided more channels for communication of the Company's information than the previous year. This included the disclosure of information in the annual report, publication of information on the Company's website and that of the Stock Exchange of Thailand; and fair and equitable communication with institutional investors, retail investors, shareholders, analysts and relevant government agencies. The provided communication channels comprised telephone, e-mail and physical and online meetings. In 2021, SCGP has regularly organized activities as listed below:

- Four Analyst Conference and Press Conference held on a quarterly basis;
- 25 non-deal roadshow and participations in the meetings held by a stock firm to brief institutional investors and the general public on quarterly information;
- 418 conference calls with institutional investors and analysts;



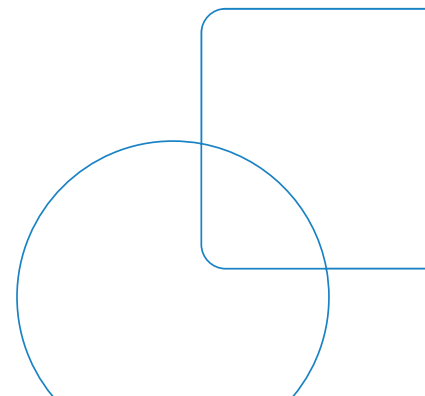
- Eight times participation in SET Opportunity Day held by the Stock Exchange of Thailand for small investors and local and overseas audiences on a quarterly basis; and
- 15 volumes of bulletins for SCGP's performance and the progress of operation expansion investment.

SCGP's corporate governance in 2021 continually advanced from that in the prior year. For this reason, SCGP successfully passed the good corporate governance assessment and received a wide range of awards as follows:

- A 5-star excellent rating in the assessment by the 2021 Corporate Governance Survey of Listed Companies (CGR Checklist) by the Thai Institute of Directors Association (IOD);

- Listed as one of the sustainable stocks, or Thailand Sustainability Investment (THSI), for the year 2021, by the Stock Exchange of Thailand;
- The SET Awards 2021 offered by the Stock Exchange of Thailand in the class of Sustainability Excellence in Rising Star 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;

- The SET Awards 2021 offered by the Stock Exchange of Thailand in the class of Business Excellence in the Best Deal of the Year Awards for the excellent and outstanding performance in the initial public offering (IPO) with an offered value over Baht 3 billion; and
- A 100-percent rating in the quality assessment of the 2021 Annual General Meeting of Shareholders Quality Assessment (AGM Checklist) held by the Thai Investors Association.



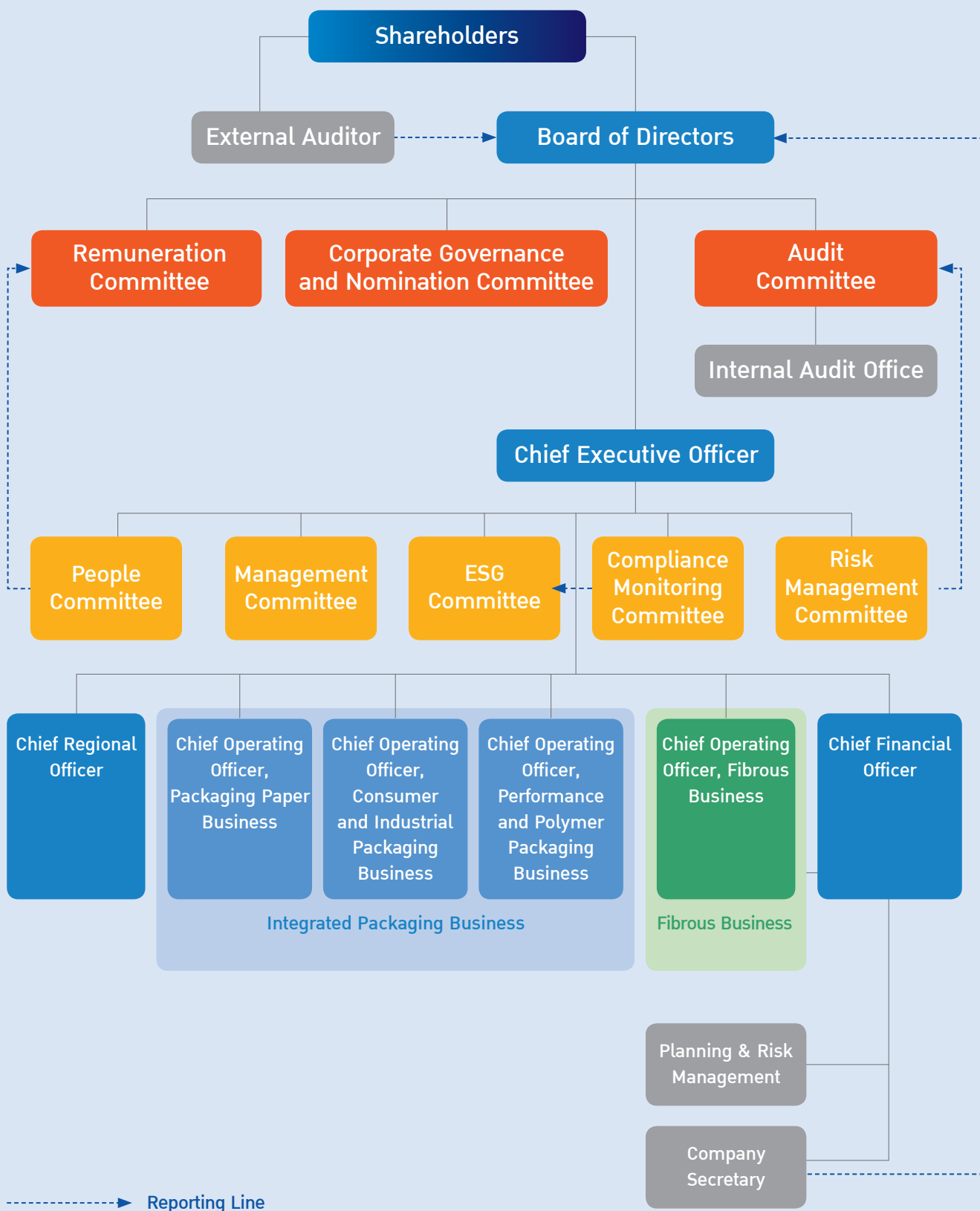
# Corporate Governance Structure and Important Information on the Board of Directors, Sub-committees, Executives, Employees and Others

## Corporate Governance Structure

At the Board of Directors' meeting No. 232 (8/2021) on November 25, 2021, SCGP's corporate governance structure revision was approved, effective from November 25, 2021; the Compliance Monitoring Committee and ESG Committee were added into

the structure to support SCGP and its subsidiaries' business management relating to sustainable development and improve values and sustainability for organizations and overall society. 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, of which eight (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. 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, associate, major shareholder or 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.

## Directors and Individual Controlling Persons

As of December 31, 2021, members of the Board of Directors are as follows:

Directors	Position
1. Mr. Prasarn Trairatvorakul	Chairman and Independent Director
2. Mr. Cholanat Yanaranop	Vice Chairman and Member of the Remuneration Committee
3. Mrs. Kaisri Nuengsigkapan	Independent Director and Chairman of the Audit Committee
4. Mr. Chalee Chantanayingyong	Independent Director and Member of the Audit Committee
5. Mrs. Pongpen Ruengvirayudh	Independent Director and Member of the Audit Committee
6. Professor Kitipong Urapeepatanapong	Independent Director and Chairman of the Corporate Governance and Nomination Committee
7. Mr. Vanus Taepaisitphongse	Independent Director and Chairman of the Remuneration Committee
8. Mr. Vibul Tuangsitthisombat	Independent Director and Member of the Remuneration Committee
9. Mrs. Suphajee Suthumpun	Independent Director and Member of the Corporate Governance and Nomination Committee
10. Mr. Thiraphong Chansiri	Director and Member of the Corporate Governance and Nomination Committee
11. Mr. Thammasak Sethaudom	Director
12. Mr. Wichan Jitpukdee	Director and Chief Executive Officer

### Remarks :

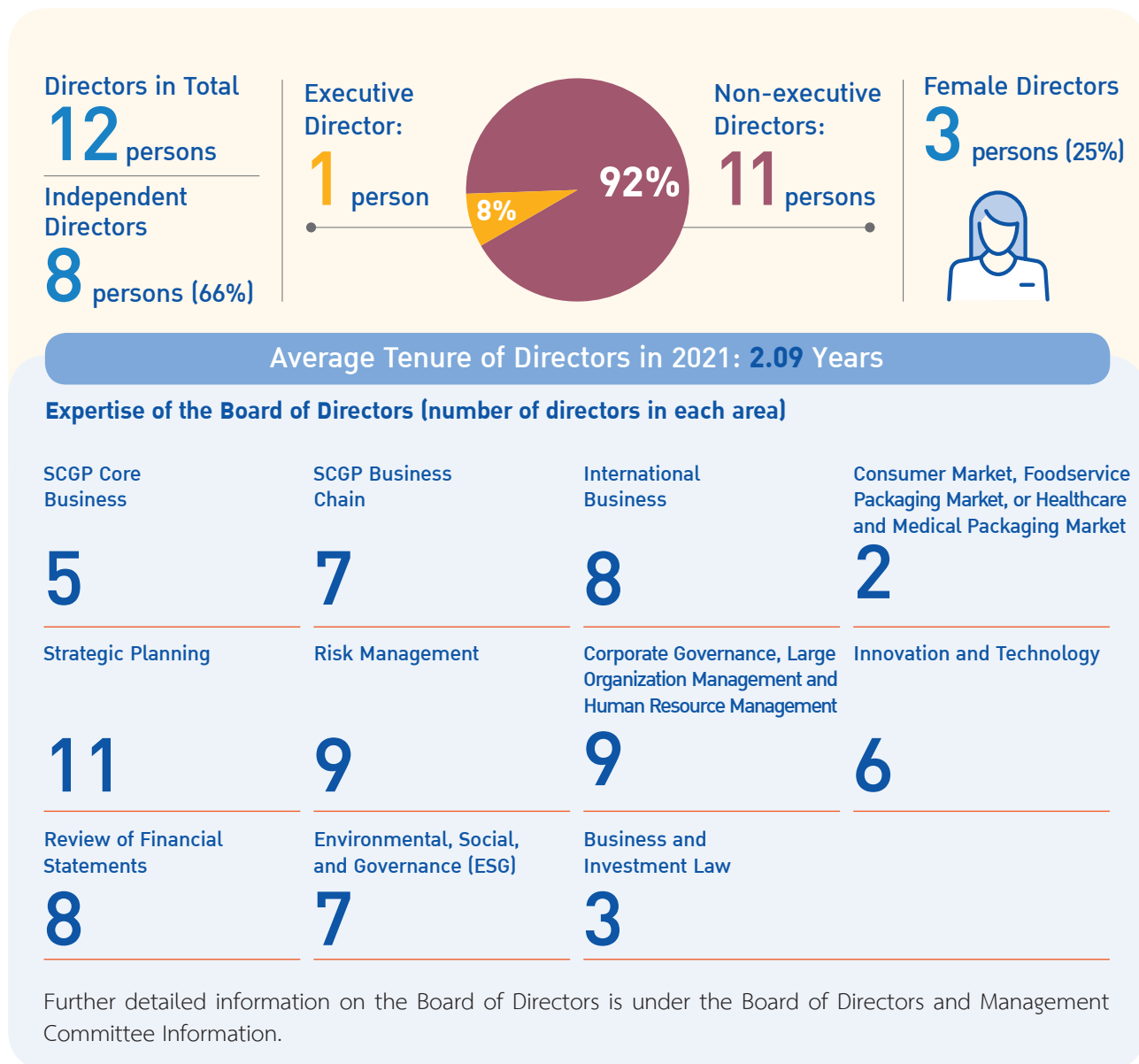
- (1) Directors No. 1-11 are non-executive directors.  
Director No. 12 is an executive director.
- (2) Directors No. 1, 3, 4, 5, 6, 7, 8, and 9 are independent directors who meet all SCGP's criteria of an independent director, which are more stringent than those stipulated by the Capital Market Supervisory Board.
- (3) Directors No. 3 and 5 are directors who have sufficient knowledge and experience to be able to perform their duties in reviewing the reliability of SCGP's financial statements.
- (4) Directors authorized to sign for and with binding effect on the Company are any two of the three directors, namely Mr.Cholanat Yanaranop or Mr. Thammasak Sethaudom or Mr. Wichan Jitpukdee, who must jointly sign their names.

The Board of Directors consists of members with a diverse range of knowledge, skills, experiences and expertise that are beneficial to the business operation of SCGP and its subsidiaries (the Board Skills Matrix),

and align with SCGP’s business strategy. Other required qualifications of individual directors include morality and accountability, leadership, exemplary vision and the ability to devote sufficient time,

without any discrimination on the grounds of gender, age, race, ethnicity, nationality, country of origin, cultural background, religion, or professional skills.

### Structure of the Board of Directors



### Roles and Responsibilities of the Board of Directors

SCGP defines the composition and qualifications of the Board of Directors in the Charter of the Board of Directors, by having adopted the good corporate governance

principles for listed companies in 2017 or the Corporate Governance Code (CG Code) recommended by the Office of the Securities and Exchange Commission. The scope of duties of the Board of Directors, Chairman of the Board

and Chief Executive Officer are posted on SCGP’s website ([www.scgpackaging.com](http://www.scgpackaging.com)) and summarized in the Corporate Governance section of this report.

# Sub-committee Information

The Board of Directors established three sub-committees: (a) the Audit Committee (b) the Corporate Governance and Nomination Committee and (c) the Remuneration Committee. The Board of Directors encourages the sub-committees to work independently and impartially. The Chairman of the Board is not a chairman or member of any sub-committee. Charters of the sub-committees are posted on SCGP's website ([www.scgpackaging.com](http://www.scgpackaging.com)) and summarized in the Corporate Governance section of this report.

## (a) Audit Committee

As of December 31, 2021, the Audit Committee consists of the following three independent directors:

Directors	Position
1. Mrs. Kaisri Nuengsigkapan*	Chairman of the Audit Committee
2. Mr. Chalee Chantanayingyong	Member of the Audit Committee
3. Mrs. Pongpen Ruengvirayudh*	Member of the Audit Committee

**Remarks:** \*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, 2021, the Corporate Governance and Nomination Committee consists of the following three directors:

Directors	Position
1. Professor Kitipong Urapeepatanapong	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

**Remarks:**

- (1) Professor Kitipong Urapeepatanapong was appointed as the Chairman of the Corporate Governance and Nomination Committee replacing Mr. Chalee Chantanayingyong at the Board of Directors' meeting No. 230 (6/2021) on August 31, 2021, effective from September 16, 2021.
- (2) Mrs. Suphajee Suthumpun was appointed as a member of the Corporate Governance and Nomination Committee replacing Mr. Chumpol NaLamlieng at the Board of Directors' meeting No. 230 (6/2021) on August 31, 2021, effective from September 17, 2021.
- (3) Mr. Thiraphong Chansiri was appointed as a member of the Corporate Governance and Nomination Committee replacing Mr. Chalee Chantanayingyong at the Board of Directors' meeting No. 230 (6/2021) on August 31, 2021, effective from September 16, 2021.
- (4) Director No. 1 and 2 are independent directors.

## (c) Remuneration Committee

As of December 31, 2021, the Remuneration Committee consists of the following three directors:

Directors	Position
1. Mr. Vanus Taepaisitphongse	Chairman of the Remuneration Committee
2. Mr. Cholanat Yanaranop	Member of the Remuneration Committee
3. Mr. Vibul Tuangsitthisombat	Member of the Remuneration Committee

**Remarks:**

- (1) Mr. Vanus Taepaisitphongse was appointed as the Chairman of the Remuneration Committee replacing Mr. Chumpol NaLamlieng at the Board of Directors' meeting No. 227 (3/2021) on April 27, 2021, effective from April 27, 2021.
- (2) Mr. Vibul Tuangsitthisombat was appointed as a member of the Remuneration Committee replacing Mr. Chumpol NaLamlieng at the Board of Directors' meeting No. 227 (3/2021) on April 27, 2021, effective from April 27, 2021.
- (3) Director No. 1 and 3 are independent directors.

# Information on the Executives

## Name and Positions of the Executives

### a) Executives

As of December 31, 2021, the executives comprise the following eight members:

Directors	Position
1. Mr. Wichan Jitpukdee	Chief Executive Officer
2. Mr. Sangchai Wiriyaumpaiwong	Chief Operating Officer, Packaging Paper Business
3. Mr. Suchai Korprasertsri	Chief Operating Officer, Consumer and Industrial Packaging Business
4. Mr. Karan Tejasen	Chief Operating Officer, Performance and Polymer Packaging Business
5. Mr. Wichan Charoenkitsupat	Chief Operating Officer, Fibrous Business
6. Mr. Danaidej Ketsuwan	Chief Financial Officer
7. Mr. Sompob Witworrasakul	Chief Regional Officer
8. Mrs. Nadarat Pomtri	Accounting Director

#### Remarks:

(1) Mr. Danaidej Ketsuwan was appointed as the Chief Financial Officer replacing Mr. Kulachet Dharachandra, effective from July 1, 2021.

(2) Mr. Sompob Witworrasakul was appointed as the Chief Regional Officer replacing Mr. Danaidej Ketsuwan, effective from July 1, 2021.

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

### b) Management Committee

As of December 31, 2021, the Management Committee comprises the following seven members:

Directors	Position
1. Mr. Wichan Jitpukdee	Chief Executive Officer
2. Mr. Sangchai Wiriyaumpaiwong	Chief Operating Officer, Packaging Paper Business
3. Mr. Suchai Korprasertsri	Chief Operating Officer, Consumer and Industrial Packaging Business
4. Mr. Karan Tejasen	Chief Operating Officer, Performance and Polymer Packaging Business
5. Mr. Wichan Charoenkitsupat	Chief Operating Officer, Fibrous Business
6. Mr. Danaidej Ketsuwan	Chief Financial Officer
7. Mr. Sompob Witworrasakul	Chief Regional Officer



**Board of Directors  
and Management  
Committee**



# Board of Directors's Profile

## Mr. Prasarn Trairatvorakul

### Age 69 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

- 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
- International or Regional Business Administration and Cultural Difference Management
- Corporate Governance, 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 (15)

- 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 2019 Chairman of the Board, Mihidol Witayanusorn
- 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

- 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, KASIKORNBANK Public Company Limited
- 1999 - 2003 Secretary-General, The Securities and Exchange Commission, Thailand

### Shareholdings (Ordinary Shares) (as at December 31, 2021)

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

### Family Relationship among Directors and Executives

(None)



## Mr. Cholanat Yanaranop

Age 62 years

### Positions

- Vice Chairman
- Member of the Remuneration Committee

### Date of Appointment as a Director

June 1, 2019

### Education/Training

- Master of Chemical Engineering, Imperial College, University of London, UK
- Bachelor of Environmental Chemical Engineering (Second Class Honours), Salford University, Manchester, UK
- Advanced Management Program (AMP), Harvard Business School, USA
- Inno-Leadership Program, INSEAD
- Top Executives Program, Class 16, Capital Market Academy
- Top Executives Program, Class 5, Thailand Energy Academy

### Knowledge/Skills/Expertise

- Core Business of the Company and Businesses in the Company's Supply Chains
- Other Large Businesses or Industries
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization

### Director Training

- Directors Accreditation Program (DAP) 39/2005, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) 38/2016, Thai Institute of Directors Association



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

- Since 2020 Director and Member of the Remuneration Committee, The Siam Cement Public Company Limited

### Position in other Company/Organization/Institution (9)

- Since 2021 Member of Steering Committee on Strategy and Biopharma Plant Project, The Thai Red Cross Society
- Since 2021 Director and Chairman of the Nomination and Remuneration Committee, SCG Chemicals Co., Ltd.
- Since 2021 Member of the Banknote Management Committee, Bank of Thailand
- Since 2020 Director, SCG Foundation
- Since 2016 Director, Siam Bioscience Company Limited
- Since 2016 Director, Apexcela Company Limited
- Since 2016 Advisor The Committee of Chemical and Petrochemical Engineering, Institute of Thailand Under H.M. The King's Patronage
- Since 2009 Advisor, Thai Institute of Chemical Engineering and Applied Chemistry
- Since 2006 Director, Petroleum Institute of Thailand

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

- 2018 - 2019 Chairman of the Members Council, Long Son Petrochemicals Company Limited, Vietnam
- 2018 - 2020 Director, SENFI Swiss GmbH, Switzerland
- 2017 - 2020 Director, SENFI UK Limited, UK
- 2017 - 2019 Executive Vice President, The Siam Cement Public Company limited
- 2015 - 2016 Vice President, Community Partnerships Association
- 2014 - 2020 Director, SENFI Norway AS (Formerly named Norner Holding AS), Norway
- 2014 - 2016 Senior Vice President, The Siam Cement Public Company Limited
- 2013 - 2015 President, Community Partnerships Association
- 2012 - 2019 Chairman, Thai Plastic and Chemicals Public Company Limited
- 2011 - 2019 Commissioner, PT Chandra Asri Petrochemical Tbk, Indonesia\*
- 2008 - 2021 Authorized Representative at the Members Council, Long Son Petrochemicals Company Limited, Vietnam
- 2005 - 2019 President, Chemicals Business, SCC
- 2007 - 2008 President, The Thai Institute of Chemical Engineering and Applied Chemistry
- 2006 - 2020 Director, Bangkok Synthetics Company Limited
- 2006 - 2020 Director, BST Elastomers Company Limited
- 2005 - 2010 Director, PTT Chemical Public Company Limited

### Shareholdings (Ordinary Shares) (as at December 31, 2021)

- Held personally: 2,607 shares (0.00006%)
- Held by spouse or minor children: (None)

### Family Relationship among Directors and Executives

(None)

Remark: \*Listed in the Stock Exchange of Indonesia





## Mrs. Kaisri Nuengsigkapien

Age 60 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

- Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Corporate Governance, 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

### Board Member/Management of other Listed Company in Thailand [2]

- Since 2020 Independent Director, Indorama Ventures Public Company Limited
- Since 2016 Chairman of the Board of Directors and Member of Executive Committee, Mc Group Public Company Limited

### Position in other Company/Organization/Institution [5]

- Since 2021 Member, Appealing Committee, The Stock Exchange of Thailand
- Since 2019 Chairman, Buono (Thailand) Public Company Limited
- Since 2018 Directors, Thai Institute of Directors
- Since 2016 Director and Treasurer, Rakkaew Foundation
- Since 2016 Director, TOP T 2015 Company Limited

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

- 2018 - 2019 Independent Director and Member of the Audit Committee, SCG Ceramics Public Company Limited
- 2016 - 2021 Member of Corporate Governance Committee, Bank of Thailand
- 2016 - 2017 Advisor, Securities and Exchange Commission, Thailand
- 2010 - 2014 Director, The Stock Exchange of Thailand
- 2003 - 2015 President, KPMG Phoomchai Holdings Company Limited

### Shareholdings (Ordinary Shares) (as at December 31, 2021)

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

### Family Relationship among Directors and Executives

(None)



## Mr. Chalee Chantanayingyong

Age 65 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

- Vision, Mission and Policy Setting and Strategic Planning
- Corporate Governance, 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 (AACCP) (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
- 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

(None)

### 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, 2021)

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

### Family Relationship among Directors and Executives

(None)



## Mrs. Pongpen Ruengvirayudh

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 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

- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Corporate Governance, 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

**Board Member/Management of other Listed Company in Thailand**  
(None)

### Position in other Company/Organization/Institution (7)

- 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

- 2018 - 2020 Member, Risk Management Sub-Committee, Government Pension Fund
- 2018 Director, Board of Directors, Government Savings Bank
- 2016 - 2021 Member, Investment Management Sub-Committee, Social Security Fund
- 2016 - 2020 Chairman, Sukhumvit Asset Management Company Limited
- 2015 - 2016 Governor's Advisor, The Bank of Thailand
- 2013 - 2017 Member, The 19<sup>th</sup> National Wage Committee, Ministry of Labour
- 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, 2021)

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

**Family Relationship among Directors and Executives**  
(None)



## Professor Kitipong Urapeepatanapong

Age 66 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
- Bachelor of Laws (Second Class Honors), Chulalongkorn University
- Honorary Doctorate Degree, Faculty of Law, Hatyai University
- 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
- 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

### Knowledge/Skills/Expertise

- International or Regional Business Administration and Cultural Difference Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Business and Investment Laws, as well as Merger and Acquisition
- Capital Market Law, Tax Law, Restructuring and Family Business

### Director Training

- Director Leadership Certification Program (DLCP) 1/2021, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) 21/2009, Thai Institute of Directors Association



- Directors Certification Program (DCP) 0/2000, 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 (1)

- Since 2019 Independent Director and Member of the Enterprise Risk Management Committee, Pruksa Holding Public Company Limited

### Position in other Company/Organization/Institution (20)

- Since 2021 Independent Director and Member of the Audit and Risk Committee, SCG Chemicals Company Limited
- Since 2021 Director, 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 Corporate Governance Committee, Thai Institute of Directors Association
- Since 2020 Member of the Economics Situation Administration Committee, Center for COVID-19 Situation Administration (CCSA)
- Since 2019 Member of the Professional Expert of Steering Committee, Office of the National Higher Education, Science, Research and Innovation Policy Council
- Since 2018 Director, Thai Institute of Directors Association
- 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

- 2019 - 2021 Director, The Stock Exchange of Thailand
- 2018 - 2021 Director, Rachakam 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, 2021)

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

### Family Relationship among Directors and Executives

(None)



## Mr. Vanus Taepaisitphongse

### Age 62 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

- Master of Business Administration, Santa Clara University, USA
- Bachelor of Economics, Chulalongkorn University
- Honorary Doctor of Business Administration, Prince of Songkla University
- Honorary Doctorate Degree in Business Administration, Chulalongkorn University
- Honorary Doctoral Degree in Philosophy (Animal Production Technology), Suranaree University of Technology

### Knowledge/Skills/Expertise

- 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

### Board Member/Management of other Listed Company in Thailand (None)

### Position in other Company/Organization/Institution (57)

- Since 2021 Director, Soda Biz Co., Ltd.
- Since 2021 Director, Gawi Co., Ltd.
- Since 2020 Director, Slig Co., Ltd.
- Since 1996 Executive Director, Betagro Public Company Limited
- Directors of Companies in Betagro Group (32 Companies)
- Honorary Institute Councilor of King Mongkut's Institute of Technology Ladkrabang
- Honorary Board of Trustee of CMKL University
- Executive Committee Member, 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 (CSRIP)
- Advisor of Research and Innovation Utilization Promotion Committee, Thailand Science Research and Innovation (TSRI)
- 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
- Advisor to the Board of Chulalongkorn University Economics Association
- Advisor to National Innovation Board of Thailand
- Chairman of The Saitam 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, 2021)

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

### Family Relationship among Directors and Executives

(None)



## Mr. Vibul Tuangsitthisombat

Age 56 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
- Thailand 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
- 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 (24)

- Since 2021 Director, G-Able Co.,Ltd.
- 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 (19 Companies)
- Since 2001 Director, Paddy Holding Co., Ltd.

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

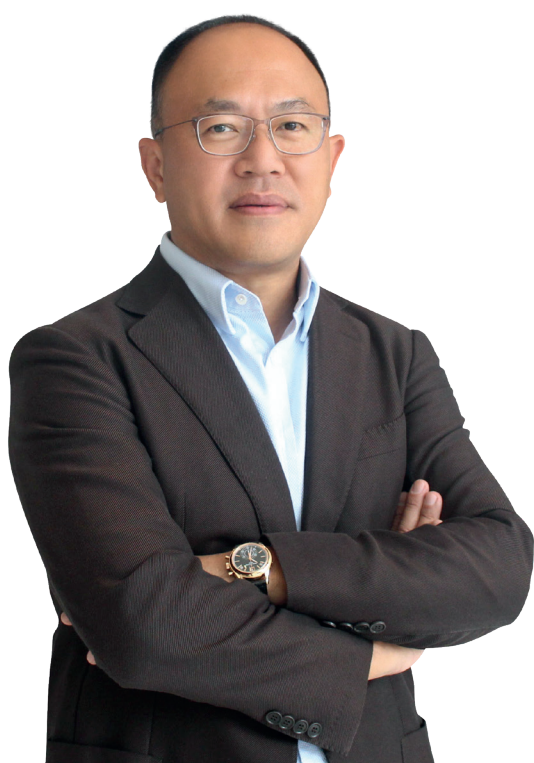
- Holding positions in the subsidiaries of Nan Yang Textile Group
- Director, The Association of Thai Textile Bleaching Dyeing Printing and Finishing Industries
- Director, Thai Garment Manufacturers Association

### Shareholdings (Ordinary Shares) (as at December 31, 2021)

- 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 57 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

- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Corporate Governance, 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 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 KASIKORNBANK Public Company Limited (KBANK)
- Since 2019 Investment Committee Member
- Since 2016 Executive Director and Group Chief Executive Officer
- Since 2015 Director  
Dusit Thani Public Company Limited (DUSIT)

### Position in other Company/Organization/Institution (30)

- Director Positions in the Dusit Group (21 Companies)
- 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 Gourmet Co., Ltd.
- Since 2018 Director, Dusit Foods Co., Ltd.
- Since 2017 Director, ASAI 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, Le Cordon Bleu Dusit 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 2016 Director, Dusit Hospitality Education Philippines Inc.
- Since 2015 Director, Dusit Thai Properties Plc.
- Since 2020 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, Mahachulalongkornrajavidyalaya 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

- 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, Thaicom 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, 2021)

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

### Family Relationship among Directors and Executives

(None)



## Mr. Thiraphong Chansiri

Age 56 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
- International or Regional Business Administration and Cultural Difference Management
- Corporate Governance, 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 (3)

- Since 2019 Director, Thai Union Feedmill Public Company Limited
- Since 2013 Director and Member of the Compensation Committee, Minor International Public Company Limited
- Since 1990 Director and President and CEO, Thai Union Group Public Company Limited



### Position in other Company/Organization/Institution (39)

- Since 2021 Director, Beam Data Co., Ltd.
- Since 2021 Executive Director, Interpharma-Zeavita Co., Ltd.
- Since 2021 Thai Union Lifescience Co., Ltd.
- Since 2020 Executive Director, Food and Beverage United Co., Ltd.
- Since 2019 Executive Director, Thai Union Ingredients Co., Ltd.
- Since 2019 Director, Thai Union Eaglewood Development Co., Ltd.
- Since 2017 Executive Director, Thoon Thanasiri Co., Ltd. (Including 7 Companies)
- Since 2017 Director, Thai Union Property Development Co., Ltd.
- Since 2017 Executive Director, Thai Union Asia Investment Holding Co., Ltd. (Hong Kong)
- Since 2016 Executive Director, Thai Union China Co., Ltd. (China)
- Since 2016 Chairman, Pracharat Raksamakkee Samutsakorn (Social Enterprise) Co., Ltd.
- Since 2016 Director, Red Lobster Master Holdings LP (USA)
- Since 2014 Director, Thai Union High-Tech Pearl Cultivation Co., Ltd.
- Since 2012 Executive Director, Pakfood PCL.
- Since 2012 Executive Director, Okeanos Food Co., Ltd.
- Since 2010 President, Thai Union Investment Holding (Mauritius)
- Since 2010 President, Thai Union Europe (France)
- Since 2010 Director, Tri-Union Frozen Products, Inc. (USA)
- Since 2010 Director, U.S. Pet Nutrition LLC. (USA)
- Since 2009 Director, TN Fine Chemicals Co., Ltd.
- Since 2000 Director, Biz Dimension Co., Ltd.
- Since 1999 Executive Director, I-Tail Corporation PCL. (Formerly Songkla Canning PCL.)
- Since 1997 Director, Tri-Union Seafoods, LLC. (USA)
- Since 1996 Executive Director, Thai Union Seafood Co., Ltd.
- Since 1996 President, 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 Executive 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

- 2016 - 2021 Executive Director, Thai Union Online Shop Co., Ltd.
- Director, Thai Union Crawfish Development Co., Ltd.
- Director, Chaophraya Cooling Co., Ltd.
- Director, Thaksin Samut Co., Ltd.
- 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, 2021)

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

### Family Relationship among Directors and Executives

(None)





## Mr. Thammasak Sethaudom

Age 52 years

### Positions

Director

### Date of Appointment as a Director

October 1, 2018

### Education/Training

- Master of Business Administration, London Business School, United Kingdom (Distinction)
- Bachelor of Engineering, Electrical Engineering, Chulalongkorn University
- Management Development Program, The Wharton School, The University of Pennsylvania, USA
- Executive Development Program, Columbia University, USA
- Advanced Management Program (AMP), Harvard Business School, USA
- Climate Action Leaders Forum #1st Badge, Ministry of Natural Resources and Environment (MoNRE) by Thailand Greenhouse Gas Management Organization (TGO) - jointly organizes with the Office of Natural Resources and Environmental Policy and Planning, Faculty of Environment and Resource Studies, Mahidol University, and the United Nations Development Programme (UNDP)

### 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
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Corporate Governance, 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 and in charge of Finance and Investment & CFO, The Siam Cement Public Company limited

### Position in other Company/Organization/Institution (27)

- Since 2021 Panel of Experts, Thailand Management Association and Sasin Graduate Institute of Business Administration of Chulalongkorn University
- 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 (24)

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

- 2020 - 2021 Project Director of Central Bank Digital Currency
- 2018 - 2021 Vice President-Finance and Investment & CFO, The Siam Cement Public Company limited
- 2012 - 2018 General Director, Long Son Petrochemicals Company Limited
- 2008 - 2012 Deputy General Director, Long Son Petrochemicals Company Limited

### Shareholdings (Ordinary Shares) (as at December 31, 2021)

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

### Family Relationship among Directors and Executives

(None)



Remark: \*Listed in the Stock Exchange of Indonesia

## Mr. Wichan Jitpukdee

Age 55 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
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- 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
- 2017 - 2018 President, The Thai Pulp and Paper Industries Association
- 2014 - 2019 Managing Director, Siam Kraft Industry Company Limited
- 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, 2021)

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

### Family Relationship among Directors and Executives

(None)

Remark: \*Listed in the Stock Exchange of Indonesia

## Report of Changes in Securities Holdings of Directors

Directors	SCG Packaging PLC						Affiliated Companies					
	Ordinary Shares (Shares)			Debentures (Units)			Ordinary Shares (Shares)			Debentures (Units)		
	as of January 1, 2021	as of December 31, 2021	Increase/ (decrease) during the fiscal year	as of April 1, 2021 <sup>5</sup>	as of December 31, 2021	Increase/ (decrease) during the fiscal year	as of January 1, 2021	as of December 31, 2021	Increase/ (decrease) during the fiscal year	as of January 1, 2021	as of December 31, 2021	Increase/ (decrease) during the fiscal year
1. Mr. Prasarn Trairatvorakul	-	-	-	5,000	5,000	-	-	-	-	25,000**	35,000**	10,000**
2. Mr. Cholanat Yanaranop	2,607	2,607	-	2,200	2,200	-	18,500*	18,500*	-	56,000**	55,000**	(1,000**)
3. Mrs. Kaisri Nuengsigkapien	-	-	-	-	-	-	-	-	-	-	-	-
4. Mr. Chalee Chantanayingyong	-	-	-	-	-	-	-	-	-	-	-	-
5. Mrs. Pongpen Ruengvirayudh	-	-	-	-	-	-	-	-	-	-	-	-
6. Professor Kitipong Urapeepatanapong	-	-	-	-	-	-	-	-	-	1,000**	1,000**	-
7. Mr. Vanus Taepaisitphongse	-	-	-	-	-	-	-	-	-	-	-	-
8. Mr. Vibul Tuangsitthisombat	-	-	-	-	-	-	-	-	-	-	-	-
Spouse	1,042	1,042	-	-	-	-	-	-	-	-	-	-
9. Mrs. Suphajee Suthumpun	-	-	-	-	-	-	-	-	-	-	-	-
10. Mr. Thiraphong Chansiri	2,000	-	(2,000)	-	-	-	-	-	-	-	-	-
11. Mr. Thammasak Sethaudom	-	-	-	-	-	-	-	-	-	-	-	-
12. Mr. Wichan Jitpukdee	-	-	-	-	-	-	-	-	-	-	-	-

### Remarks:

- 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).
- 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 manner:
  - One company has control over the appointment and withdrawal of directors who have full or substantial authority of another company; or
  - One company holds in another company more than fifty percent of shares sold.
- \*The ordinary shares of The Siam Cement Public Company Limited
- \*\*The debentures of The Siam Cement Public Company Limited
- According to SEC regulation, ordinary shares of a company held by the directors include those held by a spouse, partners in a de facto relationship and minor children.
- 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.
- SCG Packaging Public Company Limited offered the first debenture on April 1, 2021, at the price of Baht 1,000 per unit.
- The debentures of The Siam Cement Public Company Limited are worth Baht 1,000 per unit.

# Management Committee' Profile

## Mr. Wichan Jitpukdee

Age 55 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
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- 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
- 2017 - 2018 President, The Thai Pulp and Paper Industries Association
- 2014 - 2019 Managing Director, Siam Kraft Industry Company Limited
- 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, 2021)

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

### Family Relationship among Directors and Executives

(None)



Remark: \*Listed in the Stock Exchange of Indonesia



## Mr. Sangchai Wiriyaumpaiwong

Age 59 years

### Positions

- Chief Operating Officer - Packaging Paper Business
- Managing Director, Siam Kraft Industry Co., Ltd.

### Education/Training

- Bachelor of Chemical Engineering, King Mongkut University of Technology Thonburi
- Advanced Management Program (AMP), Harvard Business School, USA

### Knowledge/Skills/Expertise

- Other Large Businesses and Industries
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Economics and Investment
- Consumer Market, Accounting and Finance

### Director Training

- Director Accreditation Program (DAP) 168/2020, Thai Institute of Directors Association



### Board Member/Management of other Listed Company in Thailand

(None)

### Position in other Company/Organization/Institution (6)

- Since 2021 Executive Director, Environmental Research Institute, Chulalongkorn University
- Since 2021 Member of the River Basin Committee, Representative of the Industry Sector in Mae Klong River Basin
- Since 2020 Director, The Federation of Thai Industries
- Since 2019 Director, Pulp and Paper Industry Club, The Federation of Thai Industries
- Since 2019 Director, The Thai Pulp and Paper Industries Association (TPPIA)
- Since 2019 Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia\*

### Other Positions in SCGP (10)

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

- 2020 - 2021 Chairman, The Federation of Thai Industries, Ratchaburi Chapter
- 2020 - 2021 Director, The Federation of Thai Industries, Central Region Chapter
- 2018 - 2019 Managing Director, Thai Cane Paper Public Company Limited
- 2014 - 2018 Managing Director, Vina Kraft Paper Company Limited, Vietnam

### Shareholdings (Ordinary Shares) (as at December 31, 2021)

- Held personally: (None)
- Held by spouse or minor children: 1,000 shares (0.00002%)

### Family Relationship among Directors and Executives

(None)

Remark: \*Listed in the Stock Exchange of Indonesia



## Mr. Suchai Korprasertsri

Age 54 years

### Positions

- Chief Operating Officer - Consumer and Industrial Packaging Business
- Managing Director, Thai Containers Group Co., Ltd.

### 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
- Corporate Governance, 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 (2)

- Since 2021 1<sup>st</sup> Vice President, Representative of TCG, Asian Corrugated Case Association (ACCA) Committee
- Since 2020 Chairman, Bien Hoa Packaging Joint Stock Company, Vietnam\*

### Other Position in SCGP (21)

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

- 2017 Corporate Marketing Director, SCG Packaging Public Company Limited
- 2017 Managing Director, Thai British Security Printing Public Company Limited
- 2015 General Manager, Thai Containers Group Company Limited (In Charge of Packaging Plants in Eastern Thailand and Indonesia)
- 2013 Regional Operations Director, Thai Containers Group Company Limited

### Shareholdings (Ordinary Shares) (as at December 31, 2021)

- Held personally: (None)
- Held by spouse or minor children: 40,000 shares (0.00093%)

### Family Relationship among Directors and Executives

(None)



Remark: \*Listed in the Ho Chi Minh Stock Exchange (HOSE), Vietnam



## Mr. Karan Tejasen

Age 53 years

### Positions

- Chief Operating Officer - Performance and Polymer Packaging Business
- Managing Director, TC Flexible Packaging Co., Ltd.

### 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

- Vision, Mission and Policy Setting and Strategic Planning for Organizations
- Corporate Governance, Organization Management and Human Resource Management
- Negotiation for Merger and Partnership
- 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

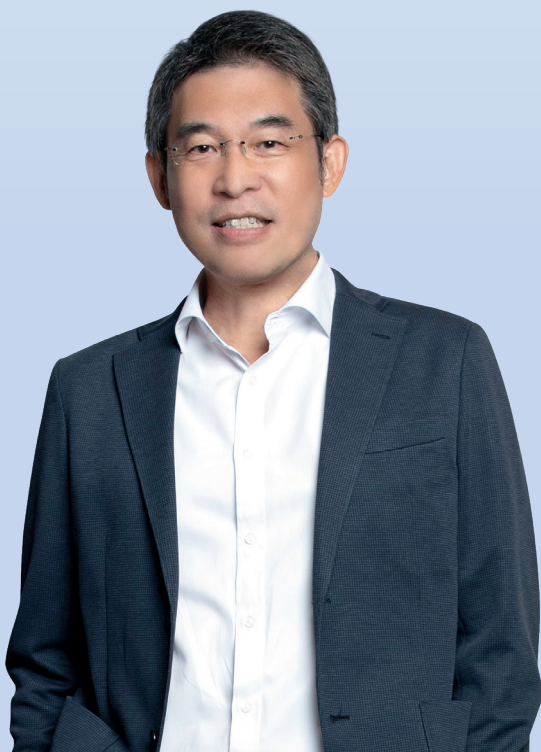
- 2013 Business Integration Director, Thai Containers Group Company Limited
- 2012 Director-Regional Operations, Thai Containers Group Company Limited
- 2010 Director and General Manager, Thai Containers Group Company Limited
- 2009 Market and Sales Director, Siam Kraft Industry Company Limited

### Shareholdings (Ordinary Shares) (as at December 31, 2021)

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

### Family Relationship among Directors and Executives

(None)



## Mr. Wichan Charoenkitsupat

Age 57 years

### Positions

- Chief Operating Officer - Fibrous Business
- Managing Director, Phoenix Pulp & Paper Public Company Limited

### 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
- Corporate Governance, 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 (2)

- 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 (21)

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

- 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, 2021)

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

### Family Relationship among Directors and Executives

(None)







## Mr. Sompob Witworrasakul

Age 51 years

### Positions

- 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

### 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

(None)

### 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, 2021)

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

### Family Relationship among Directors and Executives

(None)



Remark: \*Listed in the Ho Chi Minh Stock Exchange (HOSE), Vietnam



## Mr. Danaidej Ketsuwan

Age 49 years

### Positions

- Chief Financial Officer

### 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
- International or Regional Business Administration and Cultural Difference Management
- Corporate Governance, 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

(None)

### Other Position in SCGP (28)

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, SCG Packaging Public Company Limited
- 2018 - 2021 President & CEO, United Pulp and Paper Co., Inc., Philippines
- 2013 - 2018 Director, Business Planning Office, SCG Packaging Public Company Limited

### Shareholdings (Ordinary Shares) (as at December 31, 2021)

- 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

Executives	Ordinary Shares of SCG Packaging Public Company Limited (Shares)		
	As of January 1, 2021	As of December 31, 2021	Increase/ (decrease) during fiscal year
1. Mr. Sangchai Wiriyapaiwong	-	-	-
Spouse	1,000	1,000	-
2. Mr. Suchai Korprasertsri	-	-	-
Spouse	38,000	40,000	2,000
3. Mr. Karan Tejasen	-	-	-
4. Mr. Wichan Charoenkitsupat	-	-	-
5. Mr. Sompob Witworrasakul	2,000	-	(2,000)
6. Mr. Danaidej Ketsuwan	-	-	-
7. Mrs. Nadarat Pomtri	-	-	-

### Remarks:

- 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).
- In reference to the Notification of Capital Market Supervisory Board No. Sor Jor. 38/2561, "Executives" means the manager, the next four executives succeeding the manager, 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.
- According to SEC regulation, ordinary shares of a company held by the directors include those held by a spouse, partners in a de facto relationship and minor children.
- Considering the Company's structure, the executives pursuant to the Notification of Capital Market Supervisory Board comprise the above-mentioned 7 members.
- The 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 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, and their ability to develop the business and improve operational efficiency. Economic and social conditions are also considered by comparing SCGP's compensation structure with other organizations in the same industry, both locally and internationally.

### Performance Assessment and Remuneration of Chief Executive Officer

The Board of Directors tracks and assesses performance of the Chief Executive Officer (CEO) annually in 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 3 factors as follows:

#### 1. Performance:

Consider the Company's growth in terms of absolute performance and relative performance, compare latest year performance with the goal,

as well as comparing the Company's performance with leading companies' in the same industry.

#### 2. Key Performance Index (KPI):

Consider 4 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 3 main criteria in line with the leadership profile, which comprises Engagement, Innovation & Strategy, and Excellence. In 2021, another criterion was added, namely Managing and Communicating with SCGP people during COVID-19.

For the assessment result in 2021, performance of Chief Executive Officer was “Above Expectation” basing upon 3 factors above. In addition, the Board of Directors also commented in a positive manner on the performance, attitude, CSR mindset, 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 5-year plans, such as business expansion, profit growth, market shares, overall sustainable development performance, and ongoing operational enhancement.

## Remuneration of Executive Committee and Executives

### (a) Executive Committee Remuneration

SCGP does not appoint Executive Committee.

### (b) Executive Remuneration

#### (1) Monetary Remuneration

For the fiscal year ended December 31, 2021, SCGP paid monetary remuneration of Baht 92,156,875 to eight executives<sup>(1)</sup>, consisting of salary and bonus (but excluding the remuneration as a director), equal to 0.95% of total employee remuneration.

**Remark:** <sup>(1)</sup> Executives herein mean the first four executives next to the Chief Executive Officer and every person in the position equivalent to the 4<sup>th</sup> executive.

#### (2) Other Remuneration

For the fiscal year ended December 31, 2021, SCGP made provident fund contributions of Baht 6,823,560 to executives.

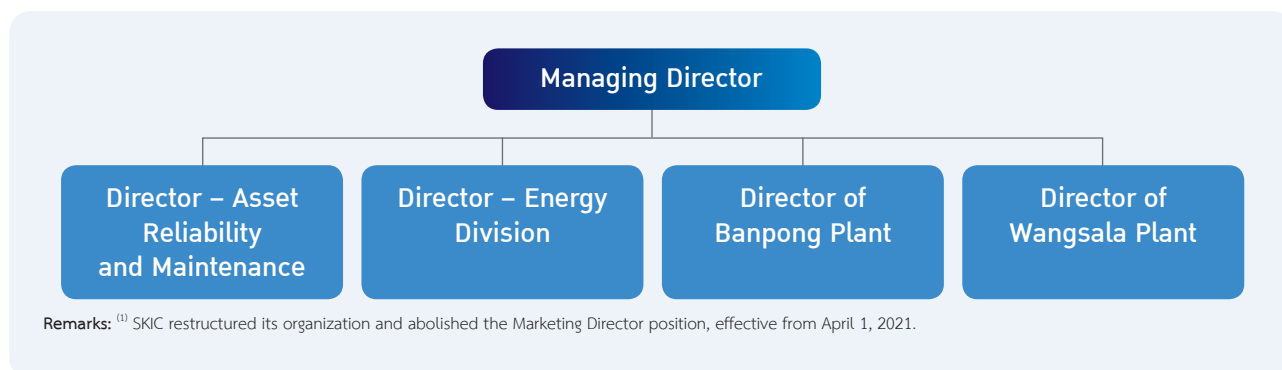
## Subsidiaries which are the Center of SCGP’s Core Business

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-based 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 Center 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 below.

## (1) SKIC

### (a) Management Structure<sup>(1)</sup>



### (b) The Board of Directors

As of December 31, 2021, the Board of Directors of SKIC comprises the following five members:

Directors	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Sangchai Wiriyaumpaiwong*	Director
3. Mr. Danaidej Ketsuwan*	Director
4. Mr. Ekaraj Niroj*	Director
5. Mr. Wichan Charoenkitsupat*	Director

**Remarks:** \*Director appointed by SCGP

(1) Mr. Wichan Charoenkitsupat was appointed as a director replacing Mr. Suracha Udomsak, effective from April 20, 2021.

(2) Mr. Danaidej Ketsuwan was appointed as a director replacing Mr. Kulachet Dharachandra, effective from June 21, 2021.

### 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

As of December 31, 2021, the executives of SKIC are as follows:

Directors	Position
1. Mr. Sangchai Wiriyaumpaiwong	Managing Director
2. Mr. Wiwat Walaiphachara	Director – Asset Reliability and Maintenance
3. Mr. Kitti Viwatborvornwong	Director – Energy Division
4. Mr. Krittasak Vecharoenying	Director of Banpong Plant
5. Mr. Saharath Pattanavibool	Director of Wangsala Plant

**Remarks:** (1) Mr. Krittasak Vecharoenying was appointed as the Director of Banpong Plant replacing Mr. Saharath Pattanavibool, effective from June 1, 2021.

(2) Mr. Saharath Pattanavibool was appointed as the Director of Wangsala Plant replacing Mr. Thanate Pongpaiboon, effective from June 1, 2021.

## (d) Executive Remuneration

### (1) Monetary Remuneration

For the fiscal year ended December 31, 2021, SKIC paid monetary remuneration of Baht 44,602,658.34 to seven executives<sup>(1)</sup>, consisting of salary and bonus.

**Remarks:**<sup>(1)</sup> Mr. Ekaraj Niroj resigned from the position of Marketing Director on April 1, 2021, and Mr. Thanate Pongpaiboon resigned from the position of the Director of Wangsala Plant on June 1, 2021.

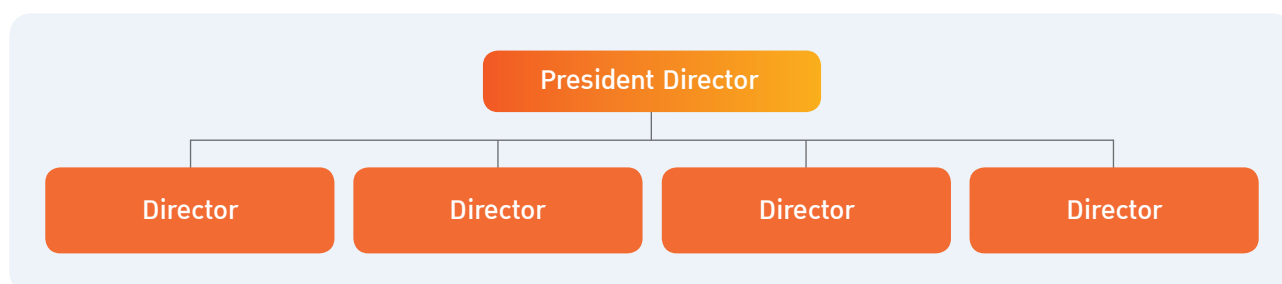
### (2) Other Remuneration

For the fiscal year ended December 31, 2021, SKIC made provident fund contributions of Baht 3,654,079 to seven executives<sup>(1)</sup>.

**Remarks:**<sup>(1)</sup> Mr. Ekaraj Niroj resigned from the position of Marketing Director on April 1, 2021, and Mr. Thanate Pongpaiboon resigned from the position of the Director of Wangsala Plant on June 1, 2021.

## (2) Fajar

### (a) Management Structure



### (b) The Board of Commissioners

As of December 31, 2021, the Board of Commissioners of Fajar comprises the following nine members:

Directors	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Sangchai Wiriyumpaiwong*	Commissioner
3. Mr. Kulachet Dharachandra*	Commissioner
4. Mr. Kitti Tangchitmaneesakda*	Commissioner
5. Mr. Winarko Sulistyو	Commissioner
6. Ms. Vilia Sulistyو	Commissioner
7. Mr. Tony Tjandra	Independent Commissioner
8. Mr. Lim Chong Thian	Independent Commissioner
9. Mr. Sudarmanto Wiryodiatmo	Independent Commissioner

**Remarks:** \*Director appointed by SCGP

### (c) The Audit Committee

As of December 31, 2021, the Audit Committee of Fajar consists of three members as follows:

Directors	Position
1. Mr. Tony Tjandra	Chairman of the Audit Committee
2. Mr. Sudarmanto Wiryodiatmo	Member of the Audit Committee
3. Mr. M. Fadil	Member of the Audit Committee

### (d) The Nomination and Remuneration Committee

As of December 31, 2021, the Nomination and Remuneration Committee of Fajar comprises the following three members:

Directors	Position
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 31 December 2021, the executives of Fajar are as follows:

Directors	Position
1. Mr. Peerapol Mongkolsilp	President Director
2. Mr. Thalengsak Ratchburi	Director
3. Mr. Ponthep Tuntavadcharom	Director
4. Mr. Yustinus Yusuf Kusumah*	Director
5. Mr. Arif Razif*	Director

Remarks: \*Non-employee executive of SCGP

### Person authorized to sign for and with binding effect on the company:

One executive director must sign.

### (F) Executive Remuneration

#### (1) Monetary Remuneration

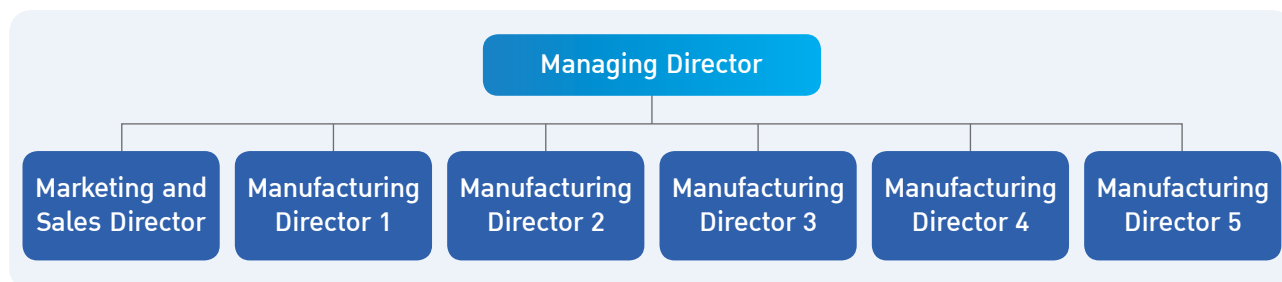
For the fiscal year ended December 31, 2021, Fajar paid monetary remuneration of Rupiah 5,062,560,000 (Baht 14,554,860) to two executives who are not SCGP's employees, consisting of salary and bonus.

#### (2) Other Remuneration

- None -

### (3) TCG

#### (a) Management Structure



#### (b) The Board of Directors

As of December 31, 2021, the Board of Directors of TCG comprises the following eight members as follows:

Directors	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Hirofumi Hori	Director
3. Mr. Danaidej Ketsuwan*	Director
4. Mr. Tamotsu Shiiya	Director
5. Mr. Sompob Witworrasakul*	Director
6. Mr. Suchai Korprasertsri*	Director
7. Mr. Karan Tejasen*	Director
8. Mr. Toshinobu Sada	Director

Remarks: \*Director appointed by SCGP

(1) Mr. Karan Tejasen was appointed as a director replacing Mr. Suracha Udomsak, effective from April 7, 2021.

(2) Mr. Danaidej Ketsuwan was appointed as a director replacing Mr. Sangchai Wiriyapaimwong, effective from April 7, 2021.

(3) Mr. Sompob Witworrasakul was appointed as a director replacing Mr. Kulachet Dharachandra, effective from June 21, 2021.

#### 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

As of December 31, 2021, the executives of TCG are as follows:

Directors	Position
1. Mr. Suchai Korprasertsri	Managing Director
2. Mr. Leadej Vimonpackt	Marketing and Sales Director
3. Mr. Niwat Phusrisalap	Manufacturing Director
4. Mr. Tawatchai Jungsom Sri	Manufacturing Director
5. Mr. Jakjit Klomsing	Manufacturing Director
6. Mr. Panu Ratanasingha	Manufacturing Director
7. Mr. Ekasit Kitisakchaiyakul	Manufacturing Director



## (d) Executive Remuneration

### (a) Monetary Remuneration

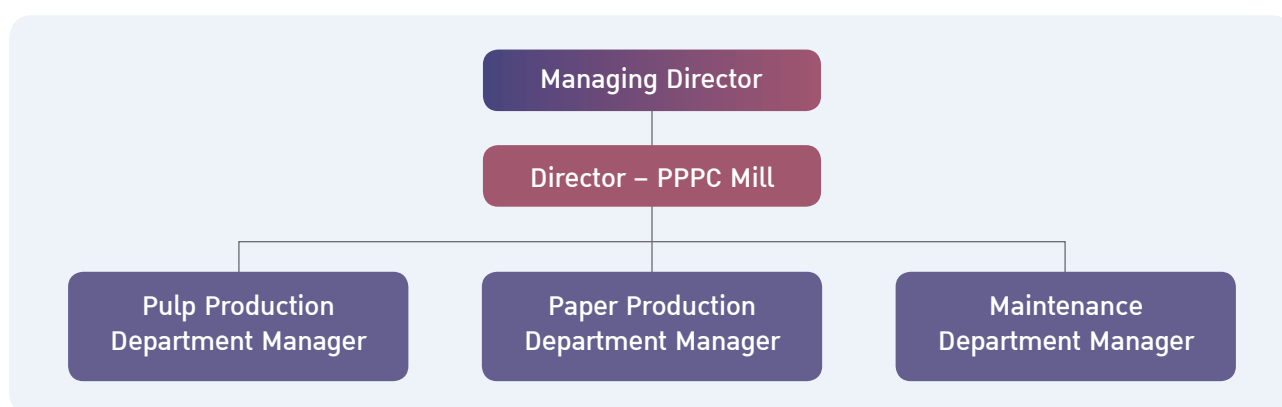
For the fiscal year ended December 31, 2021, TCG paid monetary remunerations of Baht 56,906,300 to seven TCG executives, consisting of salary and bonus.

### (b) Other Remuneration

For the fiscal year ended December 31, 2021, TCG made provident fund contributions of Baht 4,728,516 to seven TCG executives.

## (4) PPPC

### (a) Management Structure



### (b) Board of Directors

As of December 31, 2021, the Board of Directors of PPPC comprises the following seven members:

Directors	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Sangchai Wiriyaumpaiwong*	Director
3. Mr. Wichan Charoenkitsupat*	Director
4. Mr. Yusuke Mano	Director
5. Mr. Danaidej Ketsuwan*	Director
6. Mr. Som Narongrerknavin*	Director
7. Mr. Norio Ozawa	Director

Remarks: \*Director appointed by SCGP

(1) Mr. Danaidej Ketsuwan was appointed as a director replacing Mr. Kulachet Dharachandra, effective from June 21, 2021.

(2) Mr. Som Narongrerknavin was appointed as a director replacing Mr. Suracha Udomsak, effective from June 21, 2021.

### Directors authorized to sign for and with binding effect on the company:

Two directors must sign jointly.

### (c) Executives

As of December 31, 2021, the executives of PPPC are as follows:

Directors	Position
1. Mr. Wichan Charoenkitsupat	Managing Director
2. Mr. Som Narongrerknavin	Director – PPPC Mill
3. Mr. Anucha Pooboonthong	Pulp Production Department Manager
4. Mr. Watcharachai Chaicharoen	Maintenance Department Manager
5. Mr. Surat Khoonrugsa	Paper Production Department Manager

Remarks: (1) Mr. Som Narongrerknavin was appointed as the Director – PPPC Mill replacing Mr. Krittasak Vecharoenying, effective from June 1, 2021.

### (d) Executive Remuneration

#### (1) Monetary Remuneration

For the fiscal year ended December 31, 2021, PPPC paid monetary remuneration of Baht 29,433,866.50 to six executives, consisting of salary and bonus.

Remarks: (1) Mr. Krittasak Vecharoenying resigned from the position of Director – PPPC Mill on June 1, 2021.

#### (2) Other Remuneration

For the fiscal year ended December 31, 2021, PPPC made provident fund contributions of Baht 2,465,878 to eight PPPC executives.

Remarks: (1) Mr. Krittasak Vecharoenying resigned from the position of Director – PPPC Mill on June 1, 2021.

### (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, 2021, the Board of Directors of TCFP comprises the following eight members as follows:

Directors	Position
1. Mr. Wichan Charoenkitsupat*	Chairman
2. Mr. Karan Tejasen*	Director
3. Mr. Hirofumi Hori	Director
4. Mr. Kenzo Sano	Director
5. Mr. Suchai Korprasertsri*	Director
6. Mr. Sompob Witworrasakul*	Director
7. Mr. Danaidej Ketsuwan*	Director
8. Mr. Toshinobu Sada	Director

Remarks: \*Director appointed by SCGP

(1) Mr. Danaidej Ketsuwan was appointed as a director replacing Mr. Suracha Udomsak, effective from April 7, 2021.

(2) Mr. Sompob Witworrasakul was appointed as a director replacing Mr. Kulachet Dharachandra, effective from June 21, 2021.

## 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	7	44,602,658.34	3,654,079.00
2.	Fajar	2	14,554,860.00	None
3.	TCG	7	56,906,300.00	4,728,516.00
4.	PPPC	6	29,433,866.50	2,465,878.00
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. Sangchai Wiriyumpaiwong	Mr. Suchai Korprasertsri	Mr. Karan Tejasen	Mr. Wichan Charoenkitsupat	Mr. Sompob Witworrasakul	Mr. Danaidej Ketsuwan
<b>Subsidiaries</b>							
<b>Fiber-Based Packaging</b>							
1. Thai Containers Group Co., Ltd.	X		/	/		/	/
2. Thai Containers Khonkaen Co., Ltd.	X		/	/		/	/
3. Thai Containers Rayong Co., Ltd.	X		/	/		/	/
4. Tawana Container Co., Ltd.			X				
5. Orient Containers Co., Ltd.			X				
6. New Asia Industries Co., Ltd.			X			/	
7. Alcamax Packaging (Vietnam) Co., Ltd.			X			/	
8. Packamex (Vietnam) Co., Ltd.						X	
9. AP Packaging (Hanoi) Co., Ltd.			X			/	
10. PT Primacorr Mandiri			X				
11. PT Indoris Printingdo			X				
12. PT Indocorr Packaging Cikarang			X				
13. SCGP Solutions Co., Ltd.			X				/
14. Precision Print Co., Ltd.			X				
15. TCG Solutions Pte. Ltd.			X				/
16. Bien Hoa Packaging Joint Stock Company			X			/	
17. PT Indonesia DIRTAJAYA Aneka Industri Box		/	X		/		/
18. PT Bahana Buana Box		/	X		/		/
19. PT Rapipack Asritama		/	X		/		/

Directors/Executives

Company	Directors/Executives						
	Mr. Wichan Jitpukdee	Mr. Sangchai Wiriyumpaiwong	Mr. Suchai Korprasertsri	Mr. Karan Tejasen	Mr. Wichan Charoenkitsupat	Mr. Sompob Witworrasakul	Mr. Danaidej Ketsuwan
<b>Packaging Paper</b>							
20. Siam Kraft Industry Co., Ltd.	X	/			/		/
21. Vina Kraft Paper Co., Ltd.		X	/			/	/
22. Thai Cane Paper Public Co., Ltd.	X	/			/		
23. United Pulp and Paper Co., Inc.						/	/
24. SCGP Solutions (Singapore) Pte. Ltd.	X						/
25. PT Fajar Surya Wisesa Tbk.	X	/					
26. PT Dayasa Aria Prima		/					
27. SCG Paper Energy Co., Ltd.		X					
<b>Performance and Polymer Packaging</b>							
28. SCGP-T Plastics Co., Ltd.				X			/
29. Conimex Co., Ltd.				X			/
30. SCG Rigid Plastics Co., Ltd.				X			/
31. Visy Packaging Thailand 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			/

Company	Directors/Executives						
	Mr. Wichan Jitpukdee	Mr. Sangchai Wiriyumpaiwong	Mr. Suchai Korprasertsri	Mr. Karan Tejasen	Mr. Wichan Charoenkitsupat	Mr. Sompob Witworrasakul	Mr. Danaidej Ketsuwan
<b>Pulp and Paper Products</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		
<b>Other Businesses</b>							
55. SCGP Excellence Training Center Co., Ltd.							X
<b>Associated company</b>							
56. Siam Toppan Packaging Co., Ltd.	/			/			/
57. Siam Nippon Industrial Paper Co., Ltd.					/		

**Remarks:**

(1) X = Chairman / =Director

(2) Exclusions:

- Dyna Packs Co., Ltd. and D-In-Pack Co., Ltd. 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.
- At the Board of Directors' meeting held on February 13, 2018, approval was given for TCG Rengo (S) Limited to cease operations from mid-2018 onwards.
- United Industrial Energy Corporation registered to cease its business on April 24, 1997.
- Thai Union Paper Public Co., Ltd. registered its dissolution with the Department of Business Development, Ministry of Commerce, on July 31, 2018 and completed its liquidation in 2021.
- Phoenix Utilities Co., Ltd. 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.
- Other subsidiaries and associated companies in which the Company's executives are not directors included Duy Tan Long An Co., Ltd., Duy Tan Precision Mold Co., Ltd., Duy Tan Binh Duong Plastics Co., Ltd., Mata Plastic Co., Ltd., Keylab, S.L.U., Nirco, S.L., Envases Farmaceuticos, S.A., Equilabo Scientific, S.L.U., Sanilabo, S.L.U., 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 executives are not directors of any related company that may present a conflict of interest.

# Employee Information

## Employees of SCGP and its Subsidiaries

### (a) Employee Numbers

As of December 31, 2021, SCGP and its subsidiaries had 23,341 employees. As of December 31, 2020, there were 14,961 employees. Further details are given below.

Department	December 31, 2021 (Employees)	December 31, 2020 (Employees)
Production	12,324	7,757
Technical	3,653	2,386
Sales & Marketing	2,058	1,030
QC/QA	865	666
Human Resources & Administration	752	559
Supply Chain	582	402
Accounting & Finance	343	292
Research & Development	179	130
Project	313	118
Management Information System	152	88
Business Planning	42	32
Others	2,078	1,501
<b>Total</b>	<b>23,341</b>	<b>14,961</b>

Country	December 31, 2021 (Employees)	December 31, 2020 (Employees)
Thailand	8,845	8,802
Indonesia	5,492	3,974
Vietnam	8,164	1,693
The Philippines	500	376
Malaysia	114	116
Spain	226	-
<b>Total</b>	<b>23,341</b>	<b>14,961</b>

## (b) Significant Change in Employee Numbers – 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, 2019	15,515	3,282	26.8
December 31, 2020	14,961	(554)	(3.7)
December 31, 2021	23,341	8,380	56

In 2019, the number of SCGP and subsidiaries' employees increased significantly due to acquisitions that resulted in a 55.24% shareholding in Fajar in June and an 80% shareholding in Visy Packaging Thailand in August. In 2020, employee numbers subsequently decreased due to the adoption of management optimization processes such as Lean, Automation, Work Approach and Tools, etc. In 2021, the number of SCGP and subsidiaries' employees increased significantly due to acquisitions that resulted in a 100% shareholding in Go-Pak in January, a 70% shareholding in Duy Tan in July, a 75% shareholding in Intan Group in August, and an 85% shareholding in Deltalab in December, respectively.

## (c) Employee Remuneration

For retention of skilled and competent employees, the Board of Directors defined a remuneration policy which offers competitive compensation and benefits on par with those of leading companies and in line with short-term and long-term performance of the Company. 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-term and long-term plans, such as business expansion, profit growth, market shares, overall sustainable development performance, and ongoing operational enhancement.

For the fiscal year ended December 31, 2021, SCGP and its subsidiaries paid remunerations to their employees of Baht 10,150,336,097, including salary, bonus, and provident fund contributions.

## Provident Fund

For the long-term care of employees and to make sure they have a good quality of life after retiring, SCGP has provided a provident fund for its employees. SCGP and its subsidiaries in Thailand\* have established provident funds, accounting for 98%, under the management of:

- BBL Asset Management Company Limited
- Principal Asset Management Company Limited
- SCB Asset Management Company Limited
- One Asset Management Company

Limited

- Krung Thai Asset Management Public Company Limited
- UOB Asset Management (Thailand) Company Limited
- TISCO Asset Management Company Limited

For selection criteria of securities companies to invest the provident fund, SCGP has a policy to encourage the Provident Fund Committee to select fund managers who are in line with the Investment Governance Code for Institutional Investor ("ICode") and/or Environmental, Social and Governance ("ESG") criteria. Also, fund managers must conduct business with good investment governance code. In addition, the committee shall disclose selection of fund managers in a management committee meeting. This is to ensure maximum and long-term benefits of the members.

## (d) Labor Disputes

SCGP and its subsidiaries have had no labor disputes that have caused a significant impact to 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 with the help of the world's leading consultant company that excels at the organization engagement study.

Remark: \*Except Precision Print Co., Ltd. – under consideration



To assess the organization engagement, SCGP carries out two types of survey:

1. Employee Engagement Full Surveys, which shall be done every two years; and
2. Employee Engagement Pulse Surveys, which shall be done on specific topics as appropriate.

In 2021, SCGP undertook the Employee Engagement Pulse Survey to get the employees' opinions and feelings towards the organization during the COVID-19 pandemic. The survey showed the result that SCGP's average employee engagement score was 76%, higher than the averages score of general companies which was at 68%.

#### **(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, retainment 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 investment in employee growth and continuous employee development, by focusing on improving human resources management and practices. SCGP is also implementing various human resources development programs to foster continuous learning and a culture that promotes a belief in one's own abilities among employees. To increase efficiency, SCGP has developed the SCGP Employee Development Framework.

All SCGP employees must attend the competency development program and work under the Performance Management System (PMS), which encourages cooperation between employees and SCGP to add value to SCGP. 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 in line with work expectations. Specify behavior which leaders shall act in daily work and educate the management about leadership roles and competency 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 by actions and changes.

In 2021, SCGP provided an average of 12 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 Environmental and Climate Policy, the 3R, environmental conservation and waste separation. The objective of this course is to communicate SCGP's Environmental Policy 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 Sustainable Development Guideline.

SCGP also supports employee development by providing scholarships to employees for further study at leading universities around the world in fields related to SCGP's business, such as materials science and packaging design. As of December 31, 2021, SCGP had 84 scholarship employees, pursuing their studies in a Master of Business Administration (MBA), Master's degree in other fields, or Doctor of Philosophy (PhD) in a specific field. As of December 31, 2021, 74 scholarship employees completed their master's degrees and 6 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 the Company and the Board of Directors.

### 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.

Accountants must have appropriate accountant qualifications as per criteria specified by the Notification of the Department of Business Development.

### Head of Internal Audit

Ms. Panunda Sunyakorn is the Director of 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 ensure that SCGP complies with the laws and government policies.

In addition, SCGP established Center of Excellence and Compliance Management as a central unit to develop efficient compliance practices and processes for the Company and its subsidiaries, as well as educating and raising awareness regarding SCGP's compliance.

Further detailed information of the assigned person can be found under 'Information on the Company Secretary, Person Supervising Accounting, Head of Internal Audit and Head of Compliance'.

#### Remarks:

Ms. Suchada Assawaharutai was appointed as the Safety and Productivity Management Manager to ensure that SCGP complies with the laws and government policies replacing Mr. Twatchai Wongpaisarn, effective from October 1, 2021.

## Information on the Company Secretary, Person Supervising Accounting, Head of Internal Audit and Head of Compliance

Name-Surname/ Position	Age (Year)	Education/Training	Past Experience		
			Period	Position	Department/Company/Business Type
Ms. Wararee Toah-ngern	43	<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> </ul>	December 1, 2020 – Present	Company Secretary	SCGP/Holding company
			2019 – Present	Company Secretary and Secretary to the Board of Directors	Thai Cane Paper Public Company Limited/Kraft Paper Manufacturing and Distribution
			2019 – Present	Secretary to the Board of Directors	Phoenix Pulp and Paper Public Company Limited/Pulp and Food Packaging Manufacturing and Distribution
			2017 – Present	Secretary to the Board of Directors of Subsidiaries	SCGP's subsidiaries, as assigned
			2014 – 2017	Associate Secretary to the Board of Directors of Subsidiaries	SCG Cement – Building Material Group/Cement and Building Materials Industry
Mrs. Nadarat Pomtri	49	<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	Accounting Director	SCGP/Holding company
			2018 – 2020	Head of Business Process Improvement Accounting System	SCC/Holding company
			2016 – 2018	Senior Manager of Process Design and Improvement Accounting System	SCC/Holding company
			2015 – 2016	Senior Manager of Accounting System	SCC/Holding company
			2013 – 2015	Manager of Accounting System	SCC/Holding company
2009 – 2013	Manager of Finance & Taxation – Paper & Investment/General Ledger Process	SCG Accounting Services Company Limited/Activities related to accounting, auditing and tax advisory			

Name-Surname/ Position	Age (Year)	Education/Training	Past Experience		
			Period	Position	Department/Company/Business Type
Ms. Panunda Sunyakorn	46	<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	Internal Audit Director	SCGP/Holding company
			2014 – November 30, 2020	Audit Manager	SCC/Holding company
			1996 – 2013	Auditor	SCC/Holding company
Mrs. Suchada Assawaharutai	56	<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	Safety & Productivity Management Manager	SCGP/Holding company
			2020 – Present	Manager - Center of Competency	SCGP/Holding company
			2019 – 2020	Manager - Productivity Management and Continuous Improvement	Thai Containers Group Company Limited/ Manufacturing and Distribution of Paper Packaging
Mr. Twatchai Wongpaisarn	60	<ul style="list-style-type: none"> <li>• Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>• Bachelor of Engineering, Chulalongkorn University</li> </ul>	April 1, 2020 – September 30, 2021	Director - Sustainability Productivity & Innovation Management	SCGP/Holding company
			2019 – 2020	Director – SD & Productivity Improvement	SCGP/Holding company
			2017 – 2019	Director – Center of Productivity Improvement	SCGP/Holding company



### Investor Relations Office and Contacts

Name: Mr. Vikorn Phongsathorn  
Address: 1 Siam Cement Road, Bangsue, Bangkok 10800  
Tel: 02-586-2939  
Fax: 02-587-2213  
Email: [SCGP\\_invest@scg.com](mailto:SCGP_invest@scg.com)

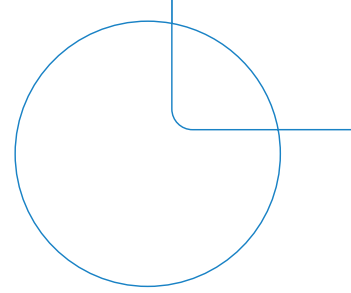
### Remuneration of Audit Office and Affiliates

#### 1. Audit Fees

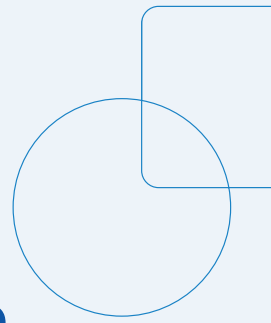
For the fiscal year ended December 31, 2021, the Company and its subsidiaries paid audit fees of (1) Baht 10.33 million for KPMG Phoomchai Audit Company Limited and (2) Baht 14.26 million for KPMG Group overseas.

#### 2. Non-audit Fee

For the fiscal year ended December 31, 2021, the Company and its subsidiaries paid non-audit fees of Baht 15.75 million to KPMG Phoomchai Audit Company Limited and the companies in the group of KPMG Phoomchai Audit Company Limited for the review of compliance with conditions of the Thai government's Board of Investment Promotion Certificate, tax consulting, and other services.



# 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 and takes responsibility for all stakeholders

according to the principles of good corporate governance for listed companies 2017 – recommended by the Office of Securities and Exchange Commission or Corporate Governance Code (CG Code). The Board also acts in accordance with SCG Packaging's Corporate Governance Policy and Code of Conduct to build confidence among shareholders, investors and stakeholders. It also aims to create a good corporate culture and values, and support the creation of good business results for the Company by strengthening competitiveness and sustaining growth.

In 2021, the Board of Directors reviewed the policies, measures and guidelines for corporate management in accordance with the CG Code, including international good corporate governance principles. 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 delivering innovative products and services and packaging solutions, supporting mega trend, improving quality of life for consumers, moving international, and developing business as per the ESG framework, in addition to contributing to society and ensuring sustainable environment, and regularly assessing the strategic plan's performance.
- Reviewed the Good Corporate Governance charter, policy, and practices in accordance with business operations of the Company and its subsidiaries, Good Corporate Governance for Listed Companies, and international corporate governance practices as described in the Good Corporate Governance Policy topic in this report.
- Organized the 2021 Annual General Meeting of Shareholders on March 30, 2021, which was the first annual general meeting after SCGP being listed in the Stock Exchange of Thailand. Under monitoring period of COVID-19, the meeting finished in a swift and

concise manner to reduce gathering time and comply with government-issued standards and measures, for example, social distancing and sanitary measures, etc. The Company requested cooperation from shareholders for authorization of independent directors as their proxies. For shareholders who wished to attend the meeting personally, they should declare their intention to do so, as well as sending questions, in advance. The Company also summarized all questions and answers in the attachment of the minutes of the shareholder's meeting, which was published through the publishing system of the Stock Exchange of Thailand and the Company's website within 14 days after the meeting. In this meeting, the Company implemented a barcode system for registration and vote counting; each barcode represented each shareholder number in the registration form and letter of authorization in order to ensure a fast and transparent process for registration and vote counting and help identify seating zone of each shareholder. In this meeting, all 12 directors attended the meeting, reaching 100% attendance. Through careful and considerate measure and preparation, as well as

# PACKAGING IN EVERYDAY LIFE



respecting shareholders' rights, SCGP's meeting was assessed by the Thai Investors Association and scored 100 points (AGM Checklist).

- Held meetings between non-executive directors without the Management. In 2021, two meetings among non-executive directors (without the Management) were held in August and November on the topic of succession planning and discussion regarding a business overview and social responsibility respectively.

## 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

strategies and business practices for sustainable growth. Details on the director qualifications and nomination policy including the nomination and selection process are given in 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 director selection is based on qualifications and required characteristics in the Public Companies Act, the Securities and Exchange Act, the Capital Market Supervisory Board's notifications, other relevant announcements, rules and/or regulations, as well as the qualifications of independent

directors 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 at 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 years from the date of their first appointment as the 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 2021, 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 Tuangsitthisombat. The Board of Directors (excluding directors who have a conflict of interest), with the Corporate Governance and Nomination Committee's recommendations, carefully considered 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 three aforementioned directors as the Company's independent directors neither impact their independent performance of duties nor their independent opinions. In addition, knowledge, expertise and experience in a specific field which could be beneficial to SCGP will improve performance of the Board of Directors. Thus, all three directors were elected through independent director qualifications as follows.

1) Professor Kitipong Urapeepatanapong who retired from the position of the Chairman of the Board and a director of Baker & McKenzie Company Limited (BM) on 30 June 2021 and holds a shareholder position of BM. He is SCGP's legal advisor which receive service fees more than Baht 2 million per year. Such value received from providing professional service for at least 2 years exceeds the criteria specified in the notification of the Capital Market Supervisory Board. The Board of Directors

(excluding Professor Kitipong Urapeepatanapong), with the Corporate Governance and Nomination Committee's recommendations, carefully considered and opined that the appointment of Professor Kitipong Urapeepatanapong as the Company's independent director neither impact his independent performance of duties nor his independent opinions. 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 business's operations and expansion. His expertise will also support SCGP's management and compliance needs, and increase the Board of Directors' efficiency. Thus, Professor Kitipong Urapeepatanapong was elected as an independent directors.

2) Mr. Vanus Taepaisitphongse is the Chairman of the Executive Board of Betagro Public Company Limited and of Betagro's affiliates, which have business relationships with SCGP's subsidiaries that are valued at more than Baht 20 million. This exceeds the criteria regarding value of business relationship 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 neither impact his independent performance of duties nor his independent opinions. No conflict of interest was created

with SCGP's aforementioned subsidiaries. His knowledge, expertise and 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 business's operations and expansion, will also increase the Board of Directors' efficiency. Thus, Mr. Vanus Taepaisitphongse was elected as an independent directors.

3) Mr. Vibul Tuangsitthisombat 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 that are valued at more than Baht 20 million. This exceeds the criteria regarding value of business relationship specified in the notification of the Capital Market Supervisory Board. The Board of Directors (excluding Mr. Vibul Tuangsitthisombat), with the Corporate Governance and Nomination Committee's recommendations, carefully considered and opined that the appointment of Mr. Vibul Tuangsitthisombat as the Company's independent director neither impact his independent performance of duties nor his independent opinions. No conflict of interest was created with SCGP's aforementioned subsidiaries. His knowledge, expertise and experience in management for main business of the Company and relevant business in the value chain of the Company, especially in international business management, innovation and technology support, and risk management, were deemed necessary to promote and strengthen the



business's operations and expansion, which increased the Board of Directors' efficiency. SCGP disclosed the above information in the notice of the shareholders' meeting and proposed at the 2021 Annual General Meeting of Shareholders (the 28<sup>th</sup> Meeting) on March 30, 2021, that Mr. Vibul Tuangsitthisombat be elected as an independent director of SCGP.

### **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 other cases. They must propose candidates to the Board of Directors and/or at the shareholders' meeting. Qualified candidates are selected from various professional backgrounds and must exhibit leadership, exemplary vision, morality, ethics, clear and unblemished career records and 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 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 that 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 2021 Annual General Meeting of Shareholders (the 28<sup>th</sup> Meeting) on March 30, 2021, considered and re-elected four former directors, namely

Mr. Chumpol NaLamlieng, Mr. Chalee Chantanayingyong, Mr. Thammasak Sethaudom, and Mr. Wichan Jitpukdee, to be the directors of the Company for another term. The meeting also approved the appointment of Mr. Vibul Tuangsitthisombat as an independent director of the Company in accordance with the Board's proposal.

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 Corporate Governance Policy (in a scope of authority and responsibility of the Chief Executive Officer) of this report, which will be reviewed annually.

Succession planning is an important tool to enable succession between each generation of executives to pass on visions, mid-term business development plans, and sustainable development goals. SCGP evaluated high-performance employee group (or talent group) annually to see whether their characteristics, knowledge and capabilities align with the Company's organizational capabilities in the future. 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, especially

overseas, and rise to the rank of future leaders.

The Board of Directors determined an agenda for succession planning of Chief Executive Officer and executives at least once a year, with the Remuneration Committee's recommendations, offered comments in a sincere, careful, fair and unbiased manner to increase the successor pool which possessed appropriate potential, qualification, and competency, domestically and internationally.

SCGP also formulated individual development plans for top executives annually to establish self-development guidelines, improve essential business-related skills, and build futureproof knowledge, strategic thinking, and networks, as well as relocation plans to improve capability in a wider scale to prepare successors. CEO will propose individual development plans to the Remuneration Committee for consideration and approval.

### **Director Development**

In 2021, the Board of Directors approved Board of Directors development practices 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 director improve their skills and knowledge relating to the assigned responsibility on a continuous basis and ensure that they receive up-to-date information. In 2021, company directors participated in the In-house Seminar and Discussion, where directors and management exchanged information and opinions thoroughly, and debate and discuss with experts from external institutes as follows.



## Sustainable Packaging



## Recyclability



## ESG Commitment

### In-house Seminar and Discussion

Directors	Vision & Medium Term Plan 2022-2026	Annual Plan 2022	Key Global Packaging Trends	Energy Transition Outlook 2021	China's Debt Situation & Evergrande Crisis	CSR for Sustainability
1. Mr. Prasarn Trairatvorakul	/	/	/	/	/	/
2. Mr. Cholanat Yanaranop	/	/	/	/	/	/
3. Mrs. Kaisri Nuengsigkapien	/	/	/	/	/	/
4. Mr. Chalee Chantanayingyong	/	/	/	/	/	/
5. Mrs. Pongpen Ruengvirayudh	/	/	/	/	/	/
6. Professor Kitipong Urapeepatanapong	/	/	/	/	/	/
7. Mr. Vanus Taepaisitphongse	/	/	/	/	-	/
8. Mr. Vibul Tuangsitthisombat	/	/	/	/	/	/
9. Mrs. Suphajee Suthumpun*	-	/	-	-	/	-
10. Mr. Thiraphong Chansiri**	-	/	-	-	-	-
11. Mr. Thammasak Sethaudom	/	/	/	/	/	/
12. Mr. Wichan Jitpukdee	/	/	/	/	/	/

\*Appointed as a director on September 17, 2021.

\*\*Appointed as a director on September 16, 2021.

In 2021, directors participated in seminars held by external organizations, such as Thai Institute of Directors. They were as follows.

Mrs. Kaisri Nuengsigkapan	National Director Conference 2021 Director Forum 1/2021: GRC Through the Perfect Storm Chairman Forum 1/2021: Chairing a Virtual Board Meeting
Mr. Chalee Chantanayingyong	National Director Conference 2021 Independent Director Forum 1/2021 - It's Time for Board Meeting Reformation Director Briefing "Driving Organizational Culture from the Boardroom"
Mrs. Suphajee Suthumpun	Independent Director Forum 1/2021 - It's Time for Board Meeting Reformation

All current 12 directors participated in director training courses, such as, Director Certification Program (DCP) and Director Accreditation Program (DAP), amounting to 100% attendance rate. Details were recorded under the Board of Director's Profile section on the topic of the corporate governance structure and important information regarding the Board of Directors, sub-committees, executives, employees, etc. of this report.

The Company held orientation for two new directors in 2021 namely Mrs. Suphajee Suthumpun and Mr. Thiraphong Chansiri, replacing Mr. Chumpol NaLamlieng and Mr. Tanawong Areeratchakul respectively. The Company Secretary acted as a coordinator to provide information about the Company for the new directors, for example, business' general information, business structure,

Board of Directors' structure, Schedule for 2022 Board of Directors' Meetings, Corporate Governance Handbook, Articles of Association, and important laws, etc. The new directors were arranged to meet with the Chief Executive Officer and the Chief Financial Officer before attending their first Board of Directors' meeting to summarize business operations of the Company and its subsidiaries. The orientation proceeded in accordance with the Board of Directors development practice which was approved by the Board of Directors with Corporate Governance and Nomination Committee's recommendations.

#### Directors' Performance Assessment

In 2021, the Board of Directors approved adjustment of performance assessment for the Board of Directors

and sub-committees in accordance with the Corporate Governance and Nomination Committee's recommendations, and ensured that performance assessment 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:

Board of Directors/ Sub-committees	Performance assessment results (As a whole) (%)	Performance assessment results (Self-assessment) (%)
1. The Board of Directors	97.94	97.24
2. The Audit Committee	99.25	99.10
3. The Corporate Governance and Nomination Committee	97.05	96.52
4. The Remuneration Committee	96.43	95.83

Assessment results of the Board of Directors and the sub-committees on matters with a score of less than 90% will be taken into account when putting together plans for improvement and development.

## Meeting Attendance and Remuneration Payment for Individual Director

### Board of Directors' Meeting Attendance in 2021

Details of the Board of Directors' meeting attendance for the fiscal year ended December 31, 2021 are as follows:

Directors	Meetings (number of meetings attended/number of meetings invited)			
	Board of Directors' Meeting			Annual General Meeting
	Jan 1 - Dec 31, 2021			Mar 30, 2021
Participation Method	Total	In Person	Via Electronic Media	In Person
1. Mr. Prasarn Trairatvorakul	8/8	3/8	5/8	1/1
2. Mr. Cholanat Yanaranop	8/8	4/8	4/8	1/1
3. Mrs. Kaisri Nuengsigkapan	8/8	3/8	5/8	1/1
4. Mr. Chalee Chantanayingyong	8/8	3/8	5/8	1/1
5. Mrs. Pongpen Ruengvirayudh	8/8	3/8	5/8	1/1
6. Professor Kitipong Urapeepatanapong	8/8	4/8	4/8	1/1
7. Mr. Vanus Taepaisitphongse	8/8	4/8	4/8	1/1
8. Mr. Vibul Tuangsitthisombat	8/8	4/8	4/8	1/1
9. Mrs. Suphajee Suthumpun*	2/2	1/2	1/2	0/0*
10. Mr. Thiraphong Chansiri*	2/2	1/2	1/2	0/0*
11. Mr. Thammasak Sethaudom	8/8	4/8	4/8	1/1
12. Mr. Wichan Jitpukdee	8/8	4/8	4/8	1/1
<b>Total number of meetings in 2021</b>		<b>8</b>		<b>1</b>
<b>% meeting attendance</b>		<b>100</b>		<b>100*</b>

**Remarks:** \*Mrs. Suphajee Suthumpun and Mr. Thiraphong Chansiri were appointed as the directors according to the resolution of the Board of Directors' Meeting No. 230 (6/2021) on August 31, 2021, replacing Mr. Chumpol NaLamlieng and Mr. Tanawong Areeratchakul respectively. Both former directors attended the 2021 Annual General Meeting. Mrs. Suphajee Suthumpun and Mr. Thiraphong Chansiri attended all the Board of Directors' meetings after starting their director positions.

The Board of Directors Charter specified that Board of Directors' meetings (including meetings through electronic media) of each year must have at least 80% of directors attending and each director must attend at least 75% of meetings held throughout the year.

### Monetary Remuneration

For remuneration of the Board of Directors and sub-committees in 2021, the 2021 Annual General meeting (the 28<sup>th</sup> Meeting) on March 30, 2021 approved the remuneration proposal from the Board of Directors which came into effect starting from the date of the approval until the meeting resolved otherwise. Remuneration details are as follows:

Directors	Position	Regular Remuneration (Baht)		Bonus*	Attendance Fee
		Monthly	Annually	(Baht)	(Baht/Person/Meeting)
Board of Directors	Chairman	150,000	-	750,000	-
(one chairman/eleven directors)	Director	100,000	-	500,000	-
Audit Committee	Chairman	-	150,000		60,000
(one chairman/two directors)	Director	-	100,000		40,000
Corporate Governance and Nomination Committee	Chairman	-	120,000		45,000
(one chairman/two directors)	Director	-	100,000		30,000
Remuneration Committee	Chairman	-	120,000		45,000
(one chairman/two directors)	Director	-	100,000		30,000

\*Calculated based on the directorship period of each director in 2020

## Other Remunerations

SCGP does not pay other remunerations 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, 2021.

### Table of Remuneration for the Board of Directors and Sub-committees in 2021 (January 1 - December 31, 2021)

Directors	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 2021** (Baht)	Total Amount (Baht)
1. Mr. Prasarn Trairatvorakul*	1,800,000.00	-	-	-	750,000.00	2,550,000.00
2. Mr. Cholanat Yanaranop	1,200,000.00	-	-	290,000.00	500,000.00	1,990,000.00
3. Mrs. Kaisri Nuengsigkapien*	1,200,000.00	435,000.00	-	-	500,000.00	2,135,000.00
4. Mr. Chalee Chantanayingyong*	1,200,000.00	290,000.00	250,108.70	-	500,000.00	2,240,108.70
5. Mrs. Pongpen Ruengvirayudh*	1,200,000.00	290,000.00	-	-	500,000.00	1,990,000.00
6. Professor Kitipong Urapeepatanapong	1,200,000.00	-	305,815.21	-	500,000.00	2,005,815.21
7. Mr. Vanus Taepaisitphongse*	1,200,000.00	-	-	378,571.43	386,612.02	1,965,183.45
8. Mr. Vibul Tuangsitthisombat*	1,200,000.00	-	82,142.86	217,857.14	386,612.02	1,886,612.02
9. Mrs. Suphajee Suthumpun*	346,666.67	-	88,804.34	-	-	435,471.01
10.Mr. Thiraphong Chansiri	350,000.00	-	89,076.09	-	-	439,076.09
11.Mr. Thammasak Sethaudom	1,200,000.00	-	-	-	500,000.00	1,700,000.00
12.Mr. Wichan Jitpukdee	1,200,000.00	-	-	-	500,000.00	1,700,000.00
13.Mr. Chumpol NaLamlieng	850,000.00	-	98,781.05	98,571.43	500,000.00	1,547,352.48
14.Mr. Tanawong Areeratchakul	850,000.00	-	-	-	500,000.00	1,350,000.00
<b>Total Amount</b>	<b>14,996,667.67</b>	<b>1,015,000.00</b>	<b>914,728.25</b>	<b>985,000.00</b>	<b>6,023,224.04</b>	<b>23,934,618.96</b>

Remarks: \*Independent director

\*\*The directors' bonus paid in 2021 is calculated based on the directorship period of each director in 2020.

1. Director No. 1 is the Chairman of the Board.

2. Director No. 3 is the Chairman of the Audit Committee.

3. Director No. 4 served as the Chairman of the Corporate Governance and Nomination Committee until September 15, 2021.

4. Director No. 6 has been the Chairman of the Corporate Governance and Nomination Committee since September 16, 2021.

5. Director No. 7 has been the Chairman of the Remuneration Committee since April 27, 2021.

6. Director No. 8 served as a member of the Corporate Governance and Nomination Committee until April 26, 2021, and has been a member of the Remuneration Committee since April 27, 2021.

7. Director No. 9 has been a director and a member of the Corporate Governance and Nomination Committee since September 17, 2021.

8. Director No. 10 has been a director and a member of the Corporate Governance and Nomination Committee since September 16, 2021.

9. Director No. 13 served as a director until September 15, 2021, as the Chairman of the Remuneration Committee until April 26, 2021, and as a member of the Corporate Governance and Nomination Committee between April 27, 2021 - September 15, 2021.

10. Director No. 14 served as a director until September 15, 2021.

The Company does not pay other remunerations 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 in 2021

Independent directors of the Company who are independent directors of The Siam Cement Public Company Limited (SCC) received the following remuneration from SCC:

Directors	Position in SCC	Total Remuneration (Baht)
1. Mr. Prasarn Trairatvorakul	Independent Director and Chairman of the Remuneration Committee	6,420,500.00
2. Mr. Chumpol NaLamlieng*	Independent Director, Vice Chairman and Chairman of the Corporate Governance and Nomination Committee	6,345,500.00

\*Served as a director until September 15, 2021.

## Remuneration Received by Directors for Being Directors in Subsidiaries in 2021

- 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, 2021.

### (1) Siam Kraft Industry Company Limited (SKIC)

#### (a) Board of Directors

As of December 31, 2021, SKIC's Board of Directors consisted of five directors (No. 1-5). Details of Board meeting attendance are as follows:

Directors	Position	Number of meetings attended/ Total number of meetings
		Jan 1 - Dec 31, 2021
1. Mr. Wichan Jitpukdee*	Chairman	9/9
2. Mr. Sangchai Wiriyaumpaiwong*	Director	9/9
3. Mr. Ekaraj Niroj*	Director	9/9
4. Mr. Wichan Charoenkitsupat*	Director	7/7
5. Mr. Danaidej Ketsuwan*	Director	5/5
6. Mr. Kulachet Dharachandra*	Director	3/4
7. Mr. Suracha Udomsak*	Director	2/2

Remarks: \*Director appointed by SCGP

(1) Director No. 6-7 resigned from SKIC in 2021.

(2) Mr. Wichan Charoenkitsupat was appointed as a director replacing Mr. Suracha Udomsak, effective from April 29, 2021.

(3) Mr. Danaidej Ketsuwan was appointed as a director replacing Mr. Kulachet Dharachandra, effective from June 21, 2021.

#### (b) Remuneration

##### (1) Monetary Remuneration

- None -

##### (2) Other Remuneration

- None -

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

### (a) Board of Commissioners

As of December 31, 2021, Fajar's Board of Commissioners consisted of nine members (No. 1-9). Details of Board meeting attendance are as follows:

Directors	Position	Number of meetings attended/ Total number of meetings
		Jan 1 - Dec 31, 2021
1. Mr. Wichan Jitpukdee*	Chairman	10/10
2. Mr. Sangchai Wiriyumpaiwong*	Commissioner	10/10
3. Mr. Kulachet Dharachandra*	Commissioner	7/7
4. Mr. Kitti Tangchitmaneesakda*	Commissioner	10/10
5. Mr. Winarko Sulistyo	Commissioner	10/10
6. Ms. Vilia Sulistyo	Commissioner	10/10
7. Mr. Tony Tjandra	Independent Commissioner	10/10
8. Mr. Lim Chong Thian	Independent Commissioner	10/10
9. Mr. Sudarmanto Wiryodiatmo	Independent Commissioner	10/10
10. Mr. Tanawong Areeratchakul*	Chairman	3/3

Remarks: \*Director appointed by SCGP

(1) Director No. 10 resigned from Fajar in 2021.

(2) Mr. Kulachet Dharachandra was appointed as a director replacing Mr. Tanawong Areeratchakul, effective from March 24, 2021.

(3) Mr. Wichan Jitpukdee was appointed as the Chairman of the Board of Commissioners replacing Mr. Tanawong Areeratchakul, effective from March 24, 2021.

### (b) Audit Committee

As of December 31, 2021, Fajar's Audit Committee consisted of three members. Details of the meeting attendance are as follows:

Directors	Number of meetings attended/ Total number of meetings
	Jan 1 - Dec 31, 2021
1. Mr. Tony Tjandra	6/6
2. Mr. Sudarmanto Wiryodiatmo	6/6
3. Mr. M. Fadil	5/6

### (c) Nomination and Remuneration Committee

As of December 31, 2021, Fajar's Nomination and Remuneration Committee consisted of three members. Details of the meeting attendance are as follows:

Directors	Number of meetings attended/Total number of meetings	
	Jan 1 - Dec 31, 2021	
1. Mr. Tony Tjandra	3/3	
2. Ms. Vilia Sulisty	3/3	
3. Mr. Kurniawan	3/3	

### (d) Remuneration

#### (1) Monetary Remuneration

For the fiscal year ended December 31, 2021, Fajar paid monetary remuneration to five of its commissioners who were not directors of SCGP. This amounted to Rupiah 4,822,222,000 (Baht 11,315,576.80).

Directors	Monetary Remuneration between Jan 1 and Dec 31, 2021 (Rupiah)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total Amount
1. Mr. Wichan Jitpukdee*	-	-	-	-
2. Mr. Sangchai Wiriyaumpaiwong*	-	-	-	-
3. Mr. Kulachet Dharachandra*	-	-	-	-
4. Mr. Kitti Tangchitmaneesakda*	-	-	-	-
5. Mr. Winarko Sulisty	1,236,000,000	-	-	1,236,000,000
6. Ms. Vilia Sulisty	988,800,000	-	-	988,800,000
7. Mr. Tony Tjandra	1,268,722,000	-	-	1,268,722,000
8. Mr. Lim Chong Thian	618,000,000	-	-	618,000,000
9. Mr. Sudarmanto Wiryodiatmo	710,700,000	-	-	710,700,000
10. Mr. Tanawong Areeratchakul*	-	-	-	-

Remarks: \*Directors who are directors or executives of SCGP do not receive remuneration as a director of a subsidiary.

#### (2) Other Remuneration

- None -



### (3) Thai Containers Group Company Limited (TCG)

#### (a) Board of Directors

As of December 31, 2021, TCG's Board of Directors consisted of eight directors (No. 1-8). Details of Board meeting attendance are as follows:

Directors	Position	Number of meetings attended/ Total number of meetings
		Jan 1 - Dec 31, 2021
1. Mr. Wichan Jitpukdee*	Chairman	4/4
2. Mr. Hirofumi Hori	Director	2/4
3. Mr. Sompob Witworrasakul*	Director	2/2
4. Mr. Tamotsu Shiiya	Director	4/4
5. Mr. Danaidej Ketsuwan*	Director	3/3
6. Mr. Suchai Korprasertsri*	Director	4/4
7. Mr. Karan Tejasen*	Director	3/3
8. Mr. Toshinobu Sada	Director	2/4
9. Mr. Sangchai Wiriyaumpaiwong*	Director	1/1
10. Mr. Kulachet Dharachandra*	Director	1/2
11. Mr. Suracha Udomsak*	Director	1/1

**Remarks:** \*Director appointed by SCGP

(1) Director No. 9-11 resigned from TCG in 2021.

(2) Mr. Danaidej Ketsuwan was appointed as a director replacing Mr. Sangchai Wiriyaumpaiwong, effective from April 7, 2021.

(3) Mr. Karan Tejasen was appointed as a director replacing Mr. Suracha Udomsak, effective from April 7, 2021.

(4) Mr. Sompob Witworrasakul was appointed as a director replacing Mr. Kulachet Dharachandra, effective from June 21, 2021.

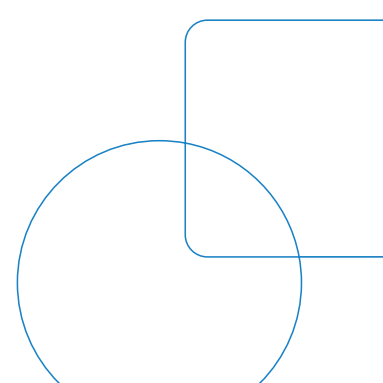
#### (b) Remuneration

##### (1) Monetary Remuneration

- None -

##### (2) Other Remuneration

- None -



#### (4) Phoenix Pulp & Paper Public Company Limited (PPPC)

##### (a) Board of Directors

As of December 31, 2021, PPPC's Board of Directors consisted of seven directors (No. 1-7). Details of Board meeting attendance are as follows:

Directors	Position	Number of meetings attended/ Total number of meetings
		Jan 1 - Dec 31, 2021
1. Mr. Wichan Jitpukdee*	Chairman	6/6
2. Mr. Sangchai Wiriyaumpaiwong*	Director	6/6
3. Mr. Wichan Charoenkitsupat*	Director	6/6
4. Mr. Yusuke Mano	Director	6/6
5. Mr. Norio Ozawa	Director	4/6
6. Mr. Som Narongrerknavin*	Director	3/3
7. Mr. Danaidej Ketsuwan*	Director	3/3
8. Mr. Kulachet Dharachandra*	Director	2/3
9. Mr. Suracha Udomsak*	Director	2/3

Remarks: \*Director appointed by SCGP

(1) Director No. 8-9 resigned from PPPC in 2021.

(2) Mr. Som Narongrerknavin was appointed as a director replacing Mr. Suracha Udomsak, effective from June 21, 2021.

(3) Mr. Danaidej Ketsuwan was appointed as a director replacing Mr. Kulachet Dharachandra, effective from June 21, 2021.

##### (b) Remuneration

###### (1) Monetary Remuneration

- None -

###### (2) Other Remuneration

- None -

## (5) TC Flexible Packaging Company Limited (TCFP)

### (a) Board of Directors

As of December 31, 2021, TCFP's Board of Directors consisted of eight directors (No. 1-8). Details of Board meeting attendance are as follows:

Directors	Position	Number of meetings attended/ Total number of meetings
		Jan 1 - Dec 31, 2021
1. Mr. Wichan Jitpukdee*	Chairman	3/3
2. Mr. Karan Tejasen*	Director	3/3
3. Mr. Hirofumi Hori	Director	2/3
4. Mr. Kenzo Sano	Director	3/3
5. Mr. Toshinobu Sada	Director	2/3
6. Mr. Suchai Korprasertsri*	Director	3/3
7. Mr. Danaidej Ketsuwan*	Director	2/2
8. Mr. Sompob Witworrasakul*	Director	1/1
9. Mr. Kulachet Dharachandra*	Director	1/2
10. Mr. Suracha Udomsak*	Director	1/1

Remarks: \*Director appointed by SCGP

(1) Director No. 9-10 resigned from TCFP in 2021.

(2) Mr. Danaidej Ketsuwan was appointed as a director replacing Mr. Suracha Udomsak, effective from April 7, 2021.

(3) Mr. Sompob Witworrasakul was appointed as a director replacing Mr. Kulachet Dharachandra, effective from June 21, 2021.

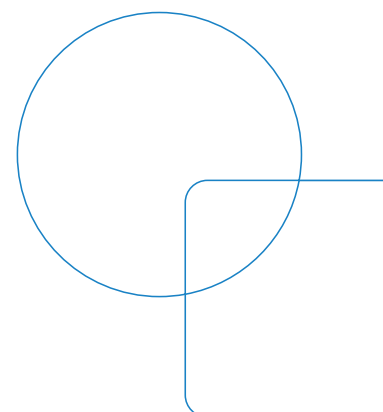
### (b) Remuneration

#### (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	5	11,315,576.80	None
3.	TCG	11	None	None
4.	PPPC	9	None	None
5.	TCFP	10	None	None

**Remarks:**

\*Including directors who retired/vacated during the year.

\*\*In terms of salary and bonus.

**Oversight of Subsidiaries and Associated Companies**

In 2021, the Board of Directors reviewed the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Businesses which has been improved in 2020 and had a resolution to implement the policy which determined the framework and mechanisms for governing the policies and operations of important subsidiaries and associated companies. The framework and mechanisms were defined as follows:

- **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 for company growth, SCGP created a policy to appoint persons as directors or executives in subsidiaries and associated companies. This appointment must at least be in proportion 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. Whether that or, there is an appropriate balance of power in that subsidiary or associated company. In addition, the persons to be appointed or nominated as directors or executives in subsidiaries or associated companies must have qualifications as specified by the Board of Directors.

- **Determination of scope, powers, 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/ approved 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 for 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 have the power to approve the subsidiary companies' matters in accordance with the scope of their duties as prescribed by the law, the Articles of Association of the subsidiaries and resolutions of the subsidiaries' shareholders' 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 Articles of Association, making connected transactions, sales or transfers within subsidiary businesses, leasing/lending/guarantee/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 or related orders. Directors, executives or related persons of subsidiaries

can only enter into transactions with subsidiaries with the permission from 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 person 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 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 which present a conflict of interest with themselves either directly or indirectly.

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:

- (a) Transactions between subsidiaries and directors or related persons that are not in accordance with the rules of entering into connected transactions.
- (b) Use of information of SCGP or its subsidiaries unless it is information that has been disclosed to the public.

(c) 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**

The Board of Directors has determined the qualifications of persons who can be appointed or nominated as directors or executives in subsidiaries and associated companies in the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Business. The Chief Executive Officer uses these qualifications as a basis to appoint and transfer persons to represent SCGP as directors or executives of subsidiaries and associated companies. They must:

- (a) have all necessary qualifications and not exhibit any prohibited characteristics as prescribed by the law or the relevant requirements;
- (b) have knowledge, capabilities and experience that is beneficial to the business's operations and suitable for the performance of duties and responsibilities;
- (c) have leadership skills and be able to give wide recommendations that will drive the subsidiary or associated company to achieve their objectives;
- (d) have the ability to make reasonable decisions in accordance with Corporate Governance practices and the Code of Conduct.

### **Agreements between the Company and other Shareholders Regarding Management of Subsidiaries and Associated Companies that are Significant to the Company's Group Operations and Management:**

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

##### **Deed of Undertaking on Fajar**

<b>Parties</b>	SCGP and PT Intercipta Sempana (PTICS)
<b>Shareholding proportion as of December 31, 2021</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 the 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 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>

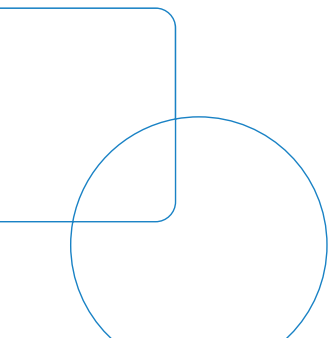
	<p><b>Board of Commissioners</b></p> <p>(1) The Board of Commissioners consists of not more than eight commissioners, three of which are nominated by SCGP and another two are nominated by PTICS. Three commissioners must be qualified as independent commissioners.</p> <p>(2) The quorum of the Board of 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>	<p>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:</p> <ul style="list-style-type: none"> <li>• Amendments to incorporation documents</li> <li>• Changes in the dividend policy</li> <li>• Acquisitions</li> <li>• Mergers or acquisitions by any group of companies</li> <li>• Incorporations of more than US\$50 million in debt or funding</li> <li>• Entering into, amending, altering or terminating a major agreement of any group of companies with a value exceeding US\$10 million</li> </ul>
<b>Dividend payments</b>	<p>If the actual investment costs of Fajar's relevant accounting period are less than US\$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 US\$20 million but less than US\$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 US\$100 million, Fajar will pay dividends of at least 30% of the net profit.</p>

## Thai Containers Group Company Limited (TCG)

### Agreement between shareholders of TCG

<b>Parties</b>	SCGP and Rengo Co., Ltd. (RENGO)
<b>Shareholding proportion as of December 31, 2021</b>	SCGP holds 70.00% of total shares. Rengo holds 30.00% of 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 at the Board meeting, provided that such majority includes at least one director nominated by Rengo:</p> <ol style="list-style-type: none"> <li>(1) Significant changes in the nature of TCG’s business, including but not limited to (a) creation, moving, dissolution or divestment of a subsidiary and (b) merger, acquisition or any other form of amalgamation with other companies.</li> <li>(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 a joint venture.</li> <li>(3) Lending money or providing insurance for the benefit of other companies or juristic persons except SCGP or a subsidiary of TCG.</li> <li>(4) Issuance of new shares or capital reduction of TCG.</li> <li>(5) Any dividend payment of TCG.</li> <li>(6) Entering into any contract or agreement that is material to TCG.</li> </ol>
<b>Shareholders’ meeting</b>	<ol style="list-style-type: none"> <li>(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.</li> <li>(2) The following matters require special resolutions at the ordinary general meeting or the extraordinary general meeting of shareholders: <ol 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> </ol> </li> <li>(3) The following matters must be approved at the ordinary general meeting of shareholders by a majority of more than 70% of total votes: <ol 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 a 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> </ol> </li> </ol>
<b>Dividend payments</b>	<p>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.</p>





## PPPC Joint Venture Agreement

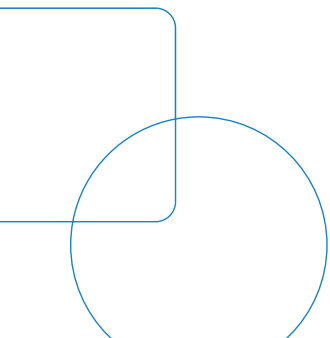
<b>Parties</b>	SCGP and Nippon Paper Industries Co., Ltd. (NPI)
<b>Shareholding proportion as of December 31, 2021</b>	SCGP holds 69.58% of total shares. NPI holds 30.00% of total shares.
<b>Powers and duties of the Board of Directors</b>	<ol style="list-style-type: none"> <li>(1) PPPC's Board of Directors consists of seven directors, five of which are nominated by SCGP and another two are nominated by NPI.</li> <li>(2) The quorum of the Board's meeting consists of more than half of total directors.</li> <li>(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.</li> <li>(4) The Managing Director of PPPC must be appointed from one of the directors nominated by SCGP.</li> <li>(5) Matters must be approved by a majority vote of the Board.</li> </ol>
<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> <ol style="list-style-type: none"> <li>(1) Approval of a business plan that is longer than 12 months.</li> <li>(2) Proposals to the shareholders' meeting to approve dividend payments and announcement of the interim dividend.</li> <li>(3) Listing PPPC on the Stock Exchange of Thailand.</li> <li>(4) Transactions worth more than Baht 30 million between PPPC and its shareholders or directors.</li> <li>(5) Acquiring shares in other companies or disposing of a shareholding in a subsidiary.</li> <li>(6) Entering into guarantees for claims worth more than Baht 50 million.</li> </ol>
<b>Shareholders' meeting</b>	<ol style="list-style-type: none"> <li>(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 of not less than 50% of the total shares issued by PPPC.</li> <li>(2) Any matter must be approved by affirmative votes of more than 50% of the total number of shares of the shareholders attending the meeting and eligible to vote.</li> <li>(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: <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 another person or juristic person.</li> <li>• Transfer of the PPPC business or transfer of PPPC's substantial assets.</li> </ul> </li> <li>(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: <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> </li> </ol>

<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, PPC will pay dividends at an agreed percentage of the net profit, depending on the performance of PPC and its subsidiaries, including the provision of reserves as required by law.
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## TC Flexible Packaging Co., Ltd. (TCFP)

### Agreement between shareholders of TCFP

<b>Parties</b>	TCG and RENGU
<b>Shareholding proportion as of December 31, 2021</b>	TCG holds 75.00% of total shares. Rengo holds 20.00% of total shares. HOWA holds 5.00% of total shares.
<b>Powers and duties of the Board of Directors</b>	<ol style="list-style-type: none"> <li>(1) The Board of Directors consists of eight directors, five of which are nominated by TCG and another three are nominated by Rengo.</li> <li>(2) The Chairman of the Board and the Managing Director must be appointed from the directors nominated by TCG.</li> <li>(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.</li> <li>(4) Unless otherwise specified in the important administrative requirements, any matter or action must be approved by a majority vote of the Board.</li> </ol>
<b>Important administrative requirements</b>	<p>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:</p> <ol style="list-style-type: none"> <li>(1) Significant changes in the nature of TCFP's business operations, including but not limited to (a) creation, moving, dissolution or sale business of subsidiary companies. (b) merger and acquisition or any other form of amalgamation with other companies and (c) any business start-up other than TCFP's current business.</li> <li>(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.</li> <li>(3) Lending or providing guarantee for the benefit of another company or any juristic or natural person.</li> <li>(4) Issuance of new shares or TCFP capital reduction.</li> <li>(5) Any dividend payment of TCFP.</li> <li>(6) Entering into any contract or agreement that is material to TCFP.</li> <li>(7) Acquisition of all business or all significant parts of other persons.</li> </ol>



<b>Shareholders' meeting</b>	<ol style="list-style-type: none"> <li>(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.</li> <li>(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.</li> <li>(3) The following matters must be decided at an ordinary or extraordinary general meeting of shareholders by a special resolution: <ol style="list-style-type: none"> <li>(3.1) Amending, cancelling or certifying the Memorandum of Association and the Articles of Association of TCFP</li> <li>(3.2) Increasing capital and issuing new shares</li> <li>(3.3) Reducing capital</li> <li>(3.4) Issuing debentures</li> <li>(3.5) Mergers and acquisitions</li> <li>(3.6) Liquidating TCFP</li> <li>(3.7) Election or discharge of directors and auditors</li> <li>(3.8) Directors' and auditors' remuneration</li> <li>(3.9) Profit dividends or stock dividend; and</li> <li>(3.10) Transfer of TCFP's core business and any transfers or commitment for contingent liabilities on a substantial portion of assets or all assets of TCFP.</li> </ol> </li> </ol>
<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 of 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 addendum approved by the Board of Directors in 2021. 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 of 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 companies, thus 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 its policies on preventing conflicts of interest to ensure that they are practiced to maximize SCGP's interests. In 2021, there were no conflict of interest transactions found in the monitoring results.

#### (2) Preventing 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 can lead to changes in the price or value of SCGP securities. The Board of Directors has established an Insider Information Management and IT Governance Policy so that all directors, executives and employees can perform 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, Chief Financial Officer or those who have been assigned. In 2021, 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). Directors, executives (including those holding executive positions in accounting or finance as department managers or equivalent level), employees in departments related to insider information, including spouses, cohabiting couple, or underage children of persons who have received insider information, must not trade in the securities of SCGP or other listed companies related to the insider information for the period of one month before the disclosure of the quarterly and annual financial statements, and within 24 hours after the public disclosure of the financial statements.

In addition, directors, executives, employees in departments related to insider information, including spouses, cohabiting couple, or underage children of persons who have received insider information of SCGP or other listed companies related to insider information, must not trade in said companies' securities until 24 hours after the insider information has been publicly disclosed.

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 2021, 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 and underage children. 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 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 is one of the agenda topics at the Board of Directors' meetings.

### (3) Anti-corruption

In 2021, the Board of Directors reviewed and approved the amendment to the Anti-corruption Policy to be in line with current business management

as well as the self-assessment for development of the revised 4.0 anti-corruption system of the Thai Private Sector Collective Action Against Corruption (CAC). The Company disclosed the Anti-corruption Policy's detail on the SCGP website ([www.scgpackaging.com](http://www.scgpackaging.com)) under Corporate Governance section.

After declaring an intention to join the Thai Private Sector Collective Action Against Corruption on December 1, 2020, the Company submitted a request to be listed as a certified company and summarize important conduct in 2021 as follows.

1. Reviewed and revised the Anti-corruption Policy to be in line with current business management as well as the self-assessment for development of the revised 4.0 anti-corruption system of the Thai Private Sector Collective Action Against Corruption (CAC).
2. Reviewed and revised SCG Packaging's Code of Conduct so that it is clear, comprehensive, and in line with current practices and other reviewed policies.
3. Chief Executive Officer communicated to the Management and all employees to strictly adhere to the Anti-corruption Policy. The Management was tasked to raise awareness on the matter, promote sincere operations, and become 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 which are susceptible to corruption and 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 the 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. Disclosed and communicated information in the SCG Packaging's Code of Conduct, the Anti-corruption Policy, and laws and regulations relating to directors, executives, and all employees through various channels, for example, SCGP's website.
5. Held ethics and the Anti-corruption Policy training through various courses, for example, orientation, Business Concept Development course, etc. in order to emphasize on the organizational culture.
6. Arranged a test on SCG Packaging's Code of Conduct and the Anti-corruption Policy or "Ethics e-Testing". All employees who took the test passed the test consecutively for seven years.

7. Internal Audit Office created the Anti-corruption Compliance Checklist for corruption assessment, held a seminar and workshop to high-risk departments to assess risks, prepare self-evaluation, and establish preventative measures and control against corruption risks.

8. Disclosed anti-corruption guidelines to suppliers and cooperated in applying good citizenship principle and concept, and good governance in the business for substantial benefits of communities, society, and environment, which beyond legal and regulatory requirements.

9. Provided a whistleblowing system to receive reports regarding violation of laws, regulations, Articles of Association, and Code of Conduct. The Company has clearly defined procedures for investigation, follow-up, control, and corrective processes.

In 2021, there were no violations of the Anti-corruption Policy.

#### (4) 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 to complaint owners in accordance with the Whistleblowing Policy. SCGP provides multiple channels for filing complaints at any time, for

example, websites in Thai and English language, reporting in personal, phone call, email, and letter submission. The Company will keep the information confidential and provide protection to the whistleblower following the Whistleblowing Policy.

In 2021, there was a total of eight cases involving non-compliance with laws, the Company's regulations, the Anti-corruption Policy, Corporate Governance Policy, SCGP's Four Core Values, Code of Conduct or Supplier Code of Conduct. Seven cases were concluded (with one case on an investigation phase), four of which were determined as false complaints matters or matters with unclear evidence, one was categorized as matters of non-compliance with SCGP's Code of Conduct, and two were categorized as inappropriate work management. There were no issues regarding the Anti-corruption Policy, Antitrust Policy, Human Rights, and Insider Information, and no damages were material. Findings from the investigations were considered in determining future procedures and preventive guidelines. In addition, the Audit Committee reviewed the measures and guidelines for the prevention of possible corruption in various systems, fraud investigation, risk assessment, and the suitability for ongoing business conditions.

## 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, 2021
1. Mrs. Kaisri	Nuengsigkapan	5/5
2. Mr. Chalee	Chantanayingyong	5/5
3. Mrs. Pongpen	Ruengvirayudh	5/5
<b>Total number of meetings in 2021</b>		<b>5</b>
<b>% meeting attendance</b>		<b>100</b>

Performance of the Audit Committee in 2021 is revealed in the Audit Committee Report at page 10-13.

### Performance of Other Sub-committees

The Board of Directors established two other sub-committees: (1) the Corporate Governance and Nomination Committee and (2) the Remuneration Committee.

### Corporate Governance and Nomination Committee

In 2021, meetings and attendance rates of the Corporate Governance and Nomination Committee are as follows:

Directors		Number of meetings attended/ Total number of meetings
		Jan 1 - Dec 31, 2021
1. Professor Kitipong	Urapeepatanapong	6/6
2. Mrs. Suphajee	Suthumpun	2/2
3. Mr. Thiraphong	Chansiri	2/2
4. Mr. Vibul	Tuangsitthisombat*	2/2
5. Mr. Chumpol	NaLamlieng**	2/2
6. Mr. Chalee	Chantanayingyong***	4/4
<b>Total number of meetings in 2021</b>		<b>6</b>
<b>% meeting attendance</b>		<b>100</b>

#### Remarks:

\*Served as a member of the Corporate Governance and Nomination Committee until April 26, 2021.

\*\*Served as a member of the Corporate Governance and Nomination Committee replacing Mr. Vibul Tuangsitthisombat between April 27, 2021 - September 16, 2021.

\*\*\*Served as the Chairman of the Corporate Governance and Nomination Committee until September 15, 2021.

(1) Director No. 2 was appointed as a member of the Corporate Governance and Nomination Committee replacing Mr. Chumpol NaLamlieng, effective from September 17, 2021.

(2) Director No. 3 was appointed as a member of the Corporate Governance and Nomination Committee replacing Mr. Chalee Chantanayingyong, effective from September 16, 2021.

Performance of the Corporate Governance and Nomination Committee in 2021 is revealed in the Corporate Governance and Nomination Committee Report at page 14-15.

## Remuneration Committee

In 2021, meetings and attendance rates of the Remuneration Committee are as follows:

Directors	Number of meetings attended/ Total number of meetings	
	Jan 1 - Dec 31, 2021	
1. Mr. Vanus Taepaisitphongse*	7/7	
2. Mr. Cholanat Yanaranop	7/7	
3. Mr. Vibul Tuangsitthisombat**	5/5	
4. Mr. Chumpol NaLamlieng***	2/2	
<b>Total number of meetings in 2021</b>	<b>7</b>	
<b>% meeting attendance</b>	<b>100</b>	

**Remarks:**

\*Appointed as the Chairman of the Remuneration Committee replacing Mr. Chumpol NaLamlieng, effective from April 27, 2021.

\*\*Appointed as a member of the Remuneration Committee replacing Mr. Chumpol NaLamlieng, effective from April 27, 2021.

\*\*\*Served as the Chairman of the Remuneration Committee until April 26, 2021.

Performance of the Remuneration Committee in 2021 is revealed in the Remuneration Committee Report at page 16.



# 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. 232 (8/2021) was held on November 25, 2021 and was attended by all three members of the Audit Committee. The Board of Directors assessed SCGP and its subsidiaries' internal control system according to The Securities and Exchange Commission's internal control sufficiency evaluation form, which is based on the five 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 is adequate, appropriate and did not find 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 and perform by focusing on good corporate governance, risk management, operational supervision and internal control. This is done by referring to international standards in operation and apply the appropriate information technology system to operate in accordance with the good internal control system with efficiency and effectiveness.

In 2021, 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 in doing business, both domestically and internationally. The rationales have been approved and an attempt has been supported 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 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 SCG Packaging's Code of Conduct

- Reviewing and updating the 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 manual have been added so that employees at all levels understand the guidelines and apply them better.
- Revamping communication methods in line with the pandemic era of COVID-19 and the work from home period. The team in charge has disseminated VDO clips and a quiz on SCGP's Code of Conduct on the Company's Line Official (only for the new M&P companies).
- Annually conducting the Ethics e-Testing to promote awareness and educate employees at all levels for the seventh consecutive year. The e-Policy e-Testing was administered for the fifth consecutive year. All employees who took the test achieved a passing score in these tests. Test answers were also analyzed, then communicated to all employees to ensure



they had an accurate understanding of concepts. The test is also reviewed annually to reflect current risks. Aside from Code of Conduct and the Anti-corruption policy, there was an additional test on the Personal Data Protection Act (PDPA), Integrated Governance, Risk, and Compliance (Integrated GRC).

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 of the Governing Body, Management (management team and employees) and the Internal Audit. The management team is 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 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 SCG Packaging'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 the internal and external case studies. Examples were the thoughts on cyber-attack and online transaction, 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 Merger & Partnership (M&P) companies, both domestic and overseas, and reviewing the adequacy of internal control system whether or not it is suitability 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 are also made.

1.5 Reviewing, making grouping and revising the Approval Authority Manual of the Company and all subsidiaries. Adding the level of approval authority regarding new issues or business models to reinforce working flexibility to meet with fast-growing operation, while maintaining an appropriate internal control.

## 2. Integrated Governance, Risk, and Compliance (Integrated GRC)

SCGP has conducted and elevated its governance, risk, and compliance practices to meet international standards (Integrated GRC), for enhancing 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 2021, the inception of data integration helped disclose information critical to the operation on the same platform among all business units. This ensured continual activities, contribution to the entire operation, and higher efficiency of operations and decision making. Top executive also communicates 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, and compliance. 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 acts as 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. Furthermore, SCGP assessed new laws and amendments to ensure all employees remain informed

of new and amended laws and are able to fully perform and timely comply with them.

In 2021, SCGP continuously reviewed and revised its guidelines and checklists to ensure more efficient and effective compliance with SCGP's key policies – namely the Antitrust Policy, Insider Trading Policy, and Disclosure Policy. The Company has also introduced a business license management system by utilizing the IT system to accommodate storage, follow up with compliance and periodically report the results to the Risk Management Committee.

#### 4. Anti-corruption Practices

At the Board of Directors' meeting No. 211 (7/2019) on August 5, 2019, the Committee approved the Anti-corruption Policy that outlines its 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.

- Reviewed and revised Anti-corruption Policy to make it clear and in line with current business management and the Checklist for CAC Certification (revised 4.0) of the Thai Private Sector Collective Action against Corruption (CAC). The Company is in the process of application for registration as a Certified Company.
- The Chief Executive Officer communicated to the executives and all employees

so that they fully follow the Anti-corruption policy. This will underline the importance of anti-corruption with assessing the risks, determining appropriate measures, driving, communicating and complying with the Anti-corruption policies by the management team (the high level First Line).

- The Internal Audit Office prepared the Anti-corruption Compliance Checklist for corruption assessment, held a seminar and workshop to high-risk departments to assess risks and establish preventative measures and control against corruption risks.

- Prepared the SCG Packaging's Supplier Code of Conduct as a business guideline and acted as good citizens in parallel with the integrating social and environmental commitments into corporate governance beyond legal and regulatory requirements.

#### 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 was responsible for establishing policies and regulations on the use of IT and communication technology (e-Policy) in accordance with ISO/IEC27001. These policies and regulations will ensure uniform IT-related practices among SCGP employees. In 2021, the following new initiatives were undertaken:

- Three additional policies/process/guidelines: IoT security, social media application guidance and online communication tools

- Two revised policies: the Mobile Device and BYOD Policy and the System Access Control Policy amendment updated from 2020. They would support work from home needs and responded to the COVID-19 pandemic.

5.2 Preparing the documents of internal control/security guidelines such as the audit guidelines for key ERP systems used by the Company, the IoT security audit guideline, the web application security audit guideline, the cloud development audit guideline and the data governance audit guideline.

5.3 Assessing the internal control points for information security against the ISO27001 for Merger & Partnership (M&P) companies to review the adequacy of the internal control system whether or not it is appropriate for the Company's operations. Recommending the best practices and creating the proactive and preventive system to minimize operation risks.

5.4 Requiring all employees to undergo the test on e-Policy. The required score must be 100% to ensure that they would be aware, acknowledge, understand and practice correctly.

5.5 Reviewing and revamping the audit strategy to meet with the COVID-19 pandemic and the risks in the New Normal era by using Machine Learning (ML), Robotics Process Automation (RPA), and Data Analytics (DA). This shall ensure the higher efficiency of risk analysis. Fieldworks was conducted as needed.

5.6 Developing audits in information technology, which are divided into IT System, IT Process, and IT Security audits, and designing the audit process to ensure the appropriateness of each part. This allows for more efficient audits and can reduce costs.

## 6. Development and Promotion of Data Analytics in Business Governance

Due to the variety of information systems in 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 prevention methods timely. The data is displayed as a graph so that users can easily and timely analyze results with higher efficiency. SCGP developed and promoted the notions of digital technology, coding, and awareness for auditors to keep up with the digital era through trainings, workshops and activities such as the Data Analytics Hackathon. Held for the third year in a row, the function helped auditors propose projects under the concept of applying digital technology in their audits.

## 7. Whistleblowing System

SCGP has 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. The whistleblowing can be done via various channels, both verbally and written. Employees can report instances of this through the Intranet Web. External stakeholders

can make reports in Thai or English through SCGP's website ([www.scgpackaging.com](http://www.scgpackaging.com)) at any time. Also, they can perform whistleblowing through email, posted letter, and phone call. 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. The fact from the investigation have been used to devise an action guideline and preventive measures. This system helped promote more ethical operations and sustainable development. For the security of the system, two layers of passwords are adopted and the server which was separated from other applications were used to safeguard the security and prevent information leakage to related parties. The Company also maintained confidentiality and ensured protection to complaint owners as required by the Whistleblowing Policy.

### Internal Control Monitoring

In 2021, the Internal Audit Office performed 66 audit projects as per the risk-based internal audit plan which was approved by the Audit Committee on November 10, 2020. The Internal Audit Office was responsible for assessing the adequacy of the internal control system and monitoring correction of the issues that have been found. This monitoring includes 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 2021, 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 Company Limited, 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 2021. These are outlined in the Audit Committee Report, which 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 quarterly and yearly financial statement of SCG Packaging Public Company Limited for the year 2021, 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 clearly clarifications from the external auditor, management and Internal

Audit Director. The review was performed until ensuring that the preparation of the financial statements and the notes disclosed in the financial statements were complied with the requirement 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 policies and rules on entering into connected transactions. It has also made disclosures to the Stock Exchange of Thailand in a timely 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 seventh consecutive year to cultivate the compliance of the Anti-corruption policy. In 2020, SCGP announced its intention to join the Thai Private Sector Collective Action against Corruption (CAC). The Company's Certified Company is also underway.

### **Review of Risk Management Assessment System**

SCGP has the Risk Management Committee that is responsible for formulating the structure and person in charge of risk management, considering and approving strategies, risk management frameworks, and risk management process. The responsibilities also include risk review and risk management follow-up throughout the organization. The Company also places an importance on the emerging risk 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 Personal Data Protection Act. The Company has rolled out the SCGP Privacy Policy as the framework of managing personal data and preparing systems to support compliance with the act. The Risk Management Committee acts as the Personal Data Protection Committee.

### **Compliance Review**

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 to 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 timely.

The Company initiated the development of Business License Management System. In this, the IT system acts as a tool to store information, follow up compliance to the law and periodically report the results to the Risk Management Committee

### **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 2021, the Internal Audit Office audited 66 projects related to operations and information technology and found no significant issues. The Internal Audit Office reviewed and adjusted audit strategies to be consistent with the COVID-19 pandemic, and New Normal situation risks by using Machine Learning (ML), Robotics Process Automation (RPA) and Data Analytics (DA) to improve the efficiency of risk analysis. Fieldwork was conducted as needed. The auditors' capacity was also developed to assess 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 tools for auditing data analysis by themselves.

### **Review of Complaints and Whistleblowing Investigation**

In 2021, there were a total of eight complaints through the whistleblowing system. Seven cases were fully investigated. The Audit Committee reviewed the complaints, and found that there were no issues that came under the Anti-corruption Policy, Antitrust Policy, Human Rights Policy, and insider trading. Damages were insignificant. In addition, the Audit Committee has reviewed measures and established guidelines to prevent corruption and fraud that may occur in different business processes and systems. It has also reviewed fraud investigation for compliance purposes and risk assessment to catch up with the ongoing business conditions.

### Head of Internal Audit

At the Audit Committee meeting No. 4/2020 on November 10, 2020, those at the meeting had a resolution that approved the appointment of Ms. Panunda Sunyakorn as the Internal Audit Supervisor – 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 backgrounds, experiences, and trainings she has attended to be in

charge of operations. The Company has summarized the qualifications, educational backgrounds and past experiences of the Head of Internal Audit in the Corporate Governance Structure and Important Information on the Board of Directors, Sub-committees, Executives, Employees and Others section.

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 Order No. 90/2020, it was announced on September 22, 2020 to be in effect on October 1, 2020 that the Chief Executive Officer approved Mr. Thawatchai Wongpaisarn to be the Director of Sustainability Productivity and

Innovation Management. The tenure would last until September 30, 2021. Later, according to Order No. 104/2021, announced on September 24, 2021, the Chief Executive Officer approved Ms. Suchada Assawaharutai to be Safety and Productivity Management Manager to be in charge of operations supervision and ensure the Company’s operational compliance with laws and government policies. This replaces Mr. Thawatchai Wongpaisarn. The order came into effect on October 1, 2021. The Company has summarized the qualifications, educational backgrounds and past 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 section.

## 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
		2021	2020	2019	
<b>1. Transactions with ultimate parent company (The Siam Cement Public Company Limited (“SCC”))</b>					
Purchases from the Group		7	12	17	Market price applied with third party transactions
Intellectual properties fees		-	263	272	Based on percentage of revenue from sales
Interest received from the Group		-	254	1,256	Agreed interest rate
Service income charged to the Group		852	828	882	Cost plus margin method comparable

<sup>1</sup> List the details by companies with transaction value greater than or equal to 0.03% of Net Tangible Asset (NTA)

Type of transaction/ Connected companies/Relationship	Total Direct/ Indirect Holding (%)	Amount (Baht million)			Pricing policy
		2021	2020	2019	
<b>2. Transactions with associates (Entities in which the Group has significant influence)</b>					
<b>Sales to the Group</b>		<b>257</b>	<b>254</b>	<b>295</b>	Market price applied with third party transactions
Siam Nippon Industrial Paper Co., Ltd.	31	164	173	189	
Siam Toppan Packaging Co., Ltd.	49	93	81	106	
<b>Purchases from the Group</b>		<b>440</b>	<b>361</b>	<b>669</b>	Market price applied with third party transactions
Siam Toppan Packaging Co., Ltd.	49	223	219	233	
Siam Nippon Industrial Paper Co., Ltd.	31	189	122	417	
Sahagreen Forest Co., Ltd.	17	28	20	19	
<b>Service income charged to the Group</b>		<b>13</b>	<b>13</b>	<b>12</b>	Market price applied with third party transactions
<b>Interest paid to the Group</b>		<b>-</b>	<b>6</b>	<b>6</b>	Agreed interest rate
<b>Guarantees by the Group (as at 31 December)</b>		<b>132</b>	<b>198</b>	<b>264</b>	Contract rate
Siam Nippon Industrial Paper Co., Ltd.	31	132	198	264	
<b>3. Transactions with subsidiaries of SCC</b>					
<b>Sales to the Group</b>		<b>8,266</b>	<b>6,115</b>	<b>7,027</b>	Market price applied with third party transactions
SCG International Corporation Co., Ltd.		5,123	4,501	5,453	
SCG International USA Inc.		969	183	94	
SCG International Vietnam Co., Ltd.		479	481	464	
SCG International (Philippines) Corporation Co., Ltd.		399	343	471	
SCG Performance Chemicals Co., Ltd.		378	250	249	
SCG International Australia Pty. Ltd.		328	56	2	
Rayong Olefins Co., Ltd.		127	71	99	
SCI Eco Services Co., Ltd.		104	-	-	
SCG Plastics Co., Ltd.		82	14	-	
SCG Cement Co., Ltd.		81	64	15	
PT SCG International Indonesia		67	25	91	
SCG International Hong Kong Limited		42	7	3	
The Siam Refractory Industry Co., Ltd.		27	24	25	
The Siam Fibre-Cement Co., Ltd.		7	46	32	

Type of transaction/ Connected companies/Relationship	Total Direct/ Indirect Holding (%)	Amount (Baht million)			Pricing policy
		2021	2020	2019	
<b>Purchases from the Group</b>		<b>2,763</b>	<b>2,034</b>	<b>2,672</b>	Market price applied with third party transactions
SCG International Corporation Co., Ltd.		1,115	1,193	1,415	
PT SCG International Indonesia		379	82	240	
SCG International Vietnam Co., Ltd.		288	164	346	
Siam Fibre Cement Group Co., Ltd.		245	172	45	
PT Siam-Indo Gypsum Industry		209	25	17	
The Siam Cement (Ta Luang) Co., Ltd.		92	30	13	
The Siam Cement (Kaeng Khoi) Co., Ltd.		87	40	18	
SCG Ceramics Public Company Limited		73	73	72	
Nawaplastic Industries Co., Ltd.		63	68	65	
Siam Sanitary Ware Industry Co., Ltd.		42	47	56	
Sosuco Ceramic Co., Ltd.		41	33	40	
The Siam Cement (Thung Song) Co., Ltd.		29	14	6	
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.		24	23	30	
Prime Trading, Import and Export One Member Limited Liability Company		21	29	43	
SCG Logistics Management Co., Ltd.		8	3	50	
The Siam Fibre-Cement Co., Ltd.		-	-	149	
<b>Service income charged to the Group</b>		<b>2,763</b>	<b>2,268</b>	<b>2,805</b>	Market price applied with third party transactions
SCG Logistics Management Co., Ltd.		1,883	1,630	2,023	
SCG International Vietnam Co., Ltd.		523	361	376	
SCI Eco Services Co., Ltd.		144	181	219	
SCG Legal Counsel Limited		29	33	30	
The Siam Fibre-Cement Co., Ltd.		21	-	-	
PT SCG Barito Logistics		20	3	1	
SCG Learning Excellence Co., Ltd.		19	10	35	
SCG Ceramics Public Company Limited		19	-	-	
SCG Cement-Building Materials Co., Ltd.		7	-	37	
Texplore Co., Ltd.		5	9	37	
<b>Interest paid to the Group</b>		-	-	<b>2</b>	Agreed interest rate
<b>Interest received from the Group</b>		-	<b>1</b>	<b>7</b>	Agreed interest rate

Type of transaction/ Connected companies/Relationship	Total Direct/ Indirect Holding (%)	Amount (Baht million)			Pricing policy
		2021	2020	2019	
<b>4. Transactions with associates of SCC</b>					
<b>Sales to the Group</b>		<b>273</b>	<b>164</b>	<b>151</b>	Market price applied with third party transactions
Siam Synthetic Latex Co., Ltd.		175	117	99	
Green Siam Resources Corporation		52	-	-	
Siam Tohcello Co., Ltd.		41	46	46	
<b>Purchases from the Group</b>		<b>791</b>	<b>602</b>	<b>792</b>	Market price applied with third party transactions
The Siam Gypsum Industry (Saraburi) Co., Ltd.		513	417	545	
The Siam Gypsum Industry (Songkhla) Co., Ltd.		83	56	89	
Thai MFC Co., Ltd.		82	44	79	
Siam Polyethylene Co., Ltd.		47	35	25	
Siam Synthetic Latex Co., Ltd.		24	17	17	
Siam Kubota Corporation Co., Ltd.		19	13	18	
<b>Service income charged to the Group</b>		<b>177</b>	<b>110</b>	<b>84</b>	Market price applied with third party transactions
IT One Co., Ltd.		154	94	83	
Green Siam Resources Corporation		18	16	-	
<b>5. Transactions with other companies of which SCC's executives hold director titles</b>					
<b>Purchases from the Group</b>		<b>64</b>	<b>49</b>	<b>43</b>	Market price applied with third party transactions
Asia Cement Public Company Limited		42	48	41	
SCG Foundation		22	1	1	
<b>6. Transactions with other companies which have directors or major shareholders or controlling persons in common<sup>2</sup></b>					
<b>Sales/Service income charged to the Group</b>		<b>355</b>	<b>369</b>	<b>59</b>	Market price applied with third party transactions
The Deves Insurance Public Company Limited		193	190	58	
Baker & McKenzie Ltd.		8	24	1	
SCB Securities Co., Ltd.		-	154	-	

<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



Type of transaction/ Connected companies/Relationship	Total Direct/ Indirect Holding (%)	Amount (Baht million)			Pricing policy
		2021	2020	2019	
<b>Purchases/Service expenses and others charged by the Group</b>		<b>1,159</b>	<b>300</b>	<b>312</b>	Market price applied with third party transactions
Thai Union Manufacturing Co., Ltd.		355	-	-	
Songkla Canning Public Company Limited		204	-	-	
Thai Union Group Public Company Limited		111	-	-	
Thai Union Graphic Co., Ltd.		107	-	-	
B. Foods Product International Co., Ltd.		106	20	21	
Betagro Agro Industry Co., Ltd.		63	44	45	
Better Foods Co., Ltd.		51	51	43	
Thai Union Seafood Co., Ltd.		26	-	-	
Okeanos Food Co., Ltd.		24	-	-	
Chotiwat Manufacturing Public Company Limited		24	-	-	
Nan Yang Garment Co., Ltd.		21	18	28	
<b>Interest paid to the Group</b>					
The Siam Commercial Bank Public Company Limited		5	2	1	Agreed interest rate
<b>Interest received from the Group</b>					
The Siam Commercial Bank Public Company Limited		8	31	18	Agreed interest rate
<b>Service fee and others charged to the Group</b>					
The Siam Commercial Bank Public Company Limited		3	134	9	Contract rate
<b>Deposits of the Group (as at 31 December)</b>					
The Siam Commercial Bank Public Company Limited		118	1,838	252	Agreed interest rate
<b>Loans to the Group (as at 31 December)</b>					
The Siam Commercial Bank Public Company Limited		2,610	3,224	274	Agreed interest rate
<b>Forward exchange contracts (as at 31 December)</b>					
The Siam Commercial Bank Public Company Limited		2,774	888	1,014	Contract rate

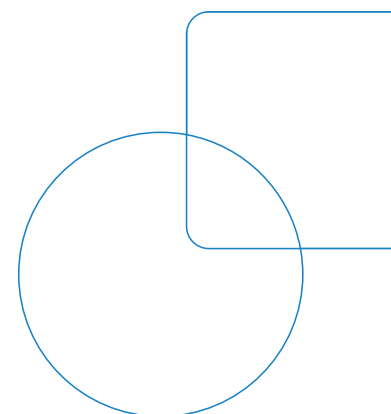
### **Necessity and Reasonableness of Related Transactions**

The Audit Committee has reviewed the related transactions that occurred during the fiscal year that ended on December 31, 2021, as detailed above. Necessary items were conditions and prices that are fair, appropriate and/or equal to arm's length transactions, and have been approved in accordance with the company's policy before carrying out the transaction.

### **Related Transactions that Present a Conflict of Interest**

SCGP will continue to conduct related transactions with connected persons in the future. These will mainly include normal business and support transactions. If SCGP has connected transactions in the future, SCGP and Group companies will take the following actions:

- (1) SCGP must consider the connected transaction. SCGP will use the same pricing criteria and trade agreements as that it uses with general counterparties. It will ensure that the transaction terms and conditions are fair, reasonable and support 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 Securities and Exchange Commission's list, which is compiled by SCGP or Group companies to compare important connected transaction prices to ensure that prices are fair, reasonable and support 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 person 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 Director or in accordance with principles that have already been approved by the Board of Director. 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 Securities and Exchange Commission and the Stock Exchange of Thailand. This information must be disclosed in the annual registration statement, annual reports or other reports. SCGP must also prepare details on connected transactions and related transactions according to accounting standards and report to the Stock Exchange of Thailand, 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.







# SCGP

**SCG Packaging Public Company Limited**

1 Siam Cement Road, Bangsue, Bangkok 10800  
Tel: +66 2586 3333 Fax: +66 2586 3007

E-mail: [scgpackaging@scg.com](mailto:scgpackaging@scg.com)  
[www.scgpackaging.com](http://www.scgpackaging.com)





**SUSTAINABLE  
GROWTH  
WITH MEGATRENDS  
TO EVOLVE  
THE WAY OF LIFE**





## 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 for packaging solutions provider which are organized into two main operating segments: integrated packaging business and fibrous business, and also other relating businesses.
<b>Initial Registered Capital</b>	Registered Capital: 4,500,000,000 Baht Paid-up Capital: 4,292,920,200 Baht Issued and paid up ordinary shares of: 4,292,920,200 shares Issued and paid up preference shares: - None - Par value of 10 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
<b>Address</b>	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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# 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, 2021 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**





KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa  
Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิภาคไทย สอบบัญชี จำกัด  
ชั้น 50 เอ็มไพร์ทาวเวอร์  
1 ถนนสาทรใต้ แขวงยานนาวา  
เขตสาทร กรุงเทพฯ 10120  
โทร +66 2677 2000  
แฟกซ์ +66 2677 2222  
เว็บไซต์ home.kpmg/th

## 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 2021, 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 2021, 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 issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated 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.

The acquisitions of business	
Refer to Notes 2, 3 (a) and 4 to the financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group acquired company in abroad. These result in the increase in production capacity, customer and competitive advantages of the Group. The accounting for the business acquisition is material, complex and requires management to make significant judgments on identifying and determining the fair values of assets acquired and liabilities assumed from a business acquisition based on assumptions which are uncertain comparing with the consideration transferred to the seller, resulting in the differences that give rise to goodwill recognition. The Group engaged independent appraisers to determine the fair values of assets acquired and liabilities assumed from a business acquisition. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures focused on assessing the reasonableness of the key assumptions used to determine the fair values of assets acquired and liabilities assumed from a business acquisition with reference to its operating environment, my knowledge of the acquired business and industry, and other information obtained during the audit. The audit procedures included a combination of inquiry of management about the nature and objective for a business acquisition, inspecting share transfer agreement and relevant minutes of meetings of management in order to understand the significant terms and conditions, and the features relevant to the acquisition accounting. I consulted with KPMG valuation specialists when considering the appropriateness of the valuation methodology and approach. I evaluated the appropriateness of identifying assets acquired and liabilities assumed from a business acquisition by management, including the consideration transferred to the seller. I examined the relevant purchase and disbursement documents. I verified the mathematical accuracy of calculation of goodwill. In addition, I evaluated the independence and professional competence of the independent appraisers engaged by the Group.</p> <p>I also considered the adequacy of the Group's disclosures in accordance with the financial reporting standard.</p>



The impairment testing of goodwill	
Refer to Notes 2, 3 (k), and 13 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 foreign businesses. Besides this, according to the financial reporting standard, the Group performs an impairment testing on goodwill derived from business combination on an annual basis and 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 focused on assessing the reasonableness of the key assumptions used to evaluate the recoverable amount of cash generating unit and impairment indicator.</p> <p>I evaluated the appropriateness of identification of the CGU by management to which goodwill belongs, reasonableness and tested key assumptions which supported discounted cash flows projection, appropriateness of the valuation methodology and discount rate by management concerning market situations and operating environment, industry knowledge and other information obtained during the audit. I tested the mathematical accuracy of the recoverable amount and impairment calculations. Moreover, I evaluated the reasonableness of the forecasting of financial performances by comparing historical estimation to the actual operating results.</p> <p>I also considered the adequacy of the Group’s disclosures in accordance with the financial reporting standard.</p>

The impairment testing of property, plant and equipment	
Refer to Notes 2, 3 (j), and 11 to the financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The management assessed the indication of impairment requiring impairment testing of property, plant and equipment of the Group. The management focused on the businesses which performance was consistently below expectations. The impairment testing of property, plant and equipment is considered to be a key risk area due to the fact that it involves significant judgment by management to identify whether there is any indication of impairment and to consider the recoverable amount. Judgmental aspects include estimates and assumptions in respect of the forecasting of future cash flows along with 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 focused on assessing the reasonableness of impairment indicator and the key assumptions which underpin management's forecast.</p> <p>I evaluated the appropriateness of identification of the CGU by management and valuation methodology, reasonableness of impairment indicator with reference to current market situations and operating environment, industry knowledge, and other information obtained during the audit.</p> <p>I tested significant assumptions which supported discounted cash flows projection by comparing the key assumptions with internal and external sources of information, appropriateness of the valuation methodology, discount rate and sensitivity analysis to determine the effect of changes in the significant assumptions by management concerning recent performance, trend analysis, and tested the mathematical accuracy of the recoverable amount and impairment calculations. Moreover, I evaluated the reasonableness of the forecasting of financial performances by comparing historical forecasts to the actual operating results.</p> <p>I also considered the adequacy of the Group's disclosures in accordance with the financial reporting standard.</p>



### *Emphasis of Matter*

I draw attention to Note 4. The Group acquired a business in Spain during the year ended 31 December 2021 and engaged an independent appraiser to determine the fair value of the identifiable assets acquired and liabilities assumed from the business acquisitions. As at the reporting date, the appraisal has not yet been completed therefore the determination of the fair value was determined provisionally and is subject to adjustment. My opinion is not modified in respect of this matter.

### *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, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated 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.

(Thanyalux Keadkeaw)  
Certified Public Accountant  
Registration No. 8179

KPMG Phoomchai Audit Ltd.  
Bangkok  
14 February 2022

# SCG Packaging Public Company Limited and its Subsidiaries

## Consolidated statement of financial position

As at 31 December 2021

Assets	Note	2021	2020
<i>(in thousand Baht)</i>			
<b>Current assets</b>			
Cash and cash equivalents	6	7,310,312	31,255,702
Investments in short-term debt instruments	28	12,911,559	1,629,897
Trade and other current receivables	5, 7	24,910,096	16,334,040
Advance payment for assets		571,197	806,887
Inventories	8	23,307,925	12,760,100
Other current assets		175,141	132,291
<b>Total current assets</b>		<b>69,186,230</b>	<b>62,918,917</b>
<b>Non-current assets</b>			
Investments in associates	9	873,034	822,620
Other non-current receivables		740,976	603,334
Investment property	10	138,230	144,183
Property, plant and equipment	11, 12	97,181,239	87,271,287
Goodwill	13	29,482,758	18,623,670
Other intangible assets	13	7,750,002	812,571
Deferred tax assets	14	920,301	971,601
Others non-current assets		550,971	260,697
<b>Total non-current assets</b>		<b>137,637,511</b>	<b>109,509,963</b>
<b>Total assets</b>		<b>206,823,741</b>	<b>172,428,880</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 2021

<b>Liabilities and shareholders' equity</b>	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
<b><i>Current liabilities</i></b>			
Bank overdrafts and short-term borrowings			
from financial institutions	<i>16</i>	30,547,449	15,080,050
Trade and other current payables	<i>5</i>	15,261,285	10,365,118
Current portion of long-term borrowings			
from financial institutions	<i>16</i>	1,864,933	16,302,161
Current portion of lease liabilities	<i>5, 16</i>	476,647	426,936
Corporate income tax payable		609,559	887,582
Other current liabilities	<i>4</i>	3,216,706	174,838
<b>Total current liabilities</b>		<b>51,976,579</b>	<b>43,236,685</b>
<b><i>Non-current liabilities</i></b>			
Long-term borrowings from financial institutions	<i>16</i>	16,670,734	12,051,646
Lease liabilities	<i>5, 16</i>	1,718,428	1,066,814
Debenture	<i>16</i>	5,493,051	-
Deferred tax liabilities	<i>14</i>	4,491,388	2,403,658
Non-current provisions for employee benefits	<i>17</i>	3,877,591	3,598,083
Other non-current liabilities		296,026	231,212
<b>Total non-current liabilities</b>		<b>32,547,218</b>	<b>19,351,413</b>
<b>Total liabilities</b>		<b>84,523,797</b>	<b>62,588,098</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 2021

Liabilities and shareholders' equity	Note	2021	2020
		<i>(in thousand Baht)</i>	
<b>Shareholders' equity</b>			
Share capital	18		
<i>Authorized share capital</i>			
- Ordinary share		<b>4,500,000</b>	<b>4,500,000</b>
<i>Issued and paid share capital</i>			
- Ordinary share		4,292,920	4,292,920
Share premium	18	40,860,245	40,860,245
Other deficits		(1,445,045)	(448,444)
Retained earnings			
<i>Appropriated</i>			
Legal reserve	19	450,000	337,700
General reserve		3,000	3,000
<i>Unappropriated</i>			
		52,106,464	46,836,323
Other components of shareholders' equity		569,616	(3,143,927)
<b>Total equity attributable to owners of the parent</b>		<b>96,837,200</b>	<b>88,737,817</b>
Non-controlling interests		25,462,744	21,102,965
<b>Total shareholders' equity</b>		<b>122,299,944</b>	<b>109,840,782</b>
<b>Total liabilities and shareholders' equity</b>		<b>206,823,741</b>	<b>172,428,880</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 2021

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
Revenue from sales	5	124,222,657	92,785,968
Cost of sales	5	(101,344,520)	(73,332,592)
<b>Gross profit</b>		<b>22,878,137</b>	<b>19,453,376</b>
Gain on exchange rate		317,207	-
Other income	4, 5	2,214,237	602,365
<b>Profit before expenses</b>		<b>25,409,581</b>	<b>20,055,741</b>
Distribution costs	21	(6,819,674)	(5,148,777)
Administrative expenses	5, 22	(5,754,846)	(4,991,736)
Loss on exchange rate		-	(222,208)
<b>Total expenses</b>		<b>(12,574,520)</b>	<b>(10,362,721)</b>
<b>Profit from operations</b>		<b>12,835,061</b>	<b>9,693,020</b>
Finance costs		(1,179,918)	(1,451,881)
Share of profit of associates			
accounted for using equity method	9	57,226	66,384
<b>Profit before income tax</b>		<b>11,712,369</b>	<b>8,307,523</b>
Tax expense	24	(2,065,425)	(1,001,605)
<b>Profit for the year</b>		<b>9,646,944</b>	<b>7,305,918</b>
Profit attributable to			
<b>Owners of the parent</b>		<b>8,294,367</b>	<b>6,457,475</b>
Non-controlling interests		1,352,577	848,443
		9,646,944	7,305,918
<b>Basic earnings per share (in Baht)</b>			
<b>Attributable to owners of the parent</b>	26	<b>1.93</b>	<b>1.95</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 2021**

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
<b>Profit for the year</b>		<b>9,646,944</b>	<b>7,305,918</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statement		5,005,211	(408,129)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on investments in equity instruments measured at fair value		1,658	-
Gain (loss) on remeasurements of defined benefit plans	17	137,031	(159,063)
Share of other comprehensive income of associates accounted for using equity method	9	7,585	(4,184)
Income tax relating to items that will not be reclassified subsequently to profit or loss	24	(25,725)	34,478
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>120,549</b>	<b>(128,769)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>5,125,760</b>	<b>(536,898)</b>
<b>Total comprehensive income for the year</b>		<b>14,772,704</b>	<b>6,769,020</b>
Total comprehensive income attributable to			
<b>Owners of the parent</b>		<b>12,100,069</b>	<b>6,110,723</b>
Non-controlling interests		2,672,635	658,297
		<u>14,772,704</u>	<u>6,769,020</u>

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 2021

	Note	Other components of shareholders' equity											
		Retained earnings					Loss on						
		Issued and paid share capital	Share premium	Other deficits	Legal reserve	General reserve	Unappropriated	Exchange differences on translating financial statement (in thousand Baht)	Investments in equity instruments measured at fair value	Total other components of shareholders' equity	Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
<b>Balance at 1 January 2020</b>		3,126,000	1,935,000	(1,362,434)	218,600	3,000	41,919,302	(2,897,896)	(7,713)	(2,905,609)	42,933,859	19,861,514	62,795,373
Transactions with owners, recorded directly in shareholders' equity													
<i>Contributions by and distributions to owners of the parent</i>													
Issue of ordinary share	18	1,166,920	38,925,245	-	-	-	-	-	-	-	40,092,165	-	40,092,165
Dividends	27	-	-	-	-	-	(1,312,920)	-	-	-	(1,312,920)	(666,535)	(1,979,455)
<b>Total contributions by and distributions to owners of the parent</b>		<b>1,166,920</b>	<b>38,925,245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,312,920)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,779,245</b>	<b>(666,535)</b>	<b>38,112,710</b>
<i>Changes in ownership interests in subsidiaries</i>													
Changes that do not result in a loss of control	4	-	-	913,990	-	-	-	-	-	-	913,990	1,171,632	2,085,622
Changes that result in an acquisition or a loss of control	4	-	-	-	-	-	-	-	-	-	-	78,057	78,057
<b>Total changes in ownership interests in subsidiaries</b>		<b>-</b>	<b>-</b>	<b>913,990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>913,990</b>	<b>1,249,689</b>	<b>2,163,679</b>
<b>Total transactions with owners, recorded directly in shareholders' equity</b>		<b>1,166,920</b>	<b>38,925,245</b>	<b>913,990</b>	<b>-</b>	<b>-</b>	<b>(1,312,920)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,693,235</b>	<b>583,154</b>	<b>40,276,389</b>
<b>Comprehensive income for the year</b>													
Profit or loss		-	-	-	-	-	6,457,475	-	-	-	6,457,475	848,443	7,305,918
Other comprehensive income		-	-	-	-	-	(108,434)	(238,318)	-	(238,318)	(346,752)	(190,146)	(536,898)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,349,041</b>	<b>(238,318)</b>	<b>-</b>	<b>(238,318)</b>	<b>6,110,723</b>	<b>658,297</b>	<b>6,769,020</b>
Transfer to legal reserve		-	-	-	119,100	-	(119,100)	-	-	-	-	-	-
<b>Balance at 31 December 2020</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>(3,136,214)</b>	<b>(7,713)</b>	<b>(3,143,927)</b>	<b>88,737,817</b>	<b>21,102,965</b>	<b>109,840,782</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 2021

	Note	Retained earnings				Other components of shareholders' equity				Total shareholders' equity			
		Appropriated		Unappropriated		Exchange differences on translating financial statement (in thousand Baht)	Loss on investments in equity instruments measured at fair value	Total other components of shareholders' equity	Total equity attributable to owners of the parent		Non-controlling interests		
		Issued and paid share capital	Share premium	Other deficits	Legal reserve							General reserve	
<b>Balance at 1 January 2021</b>		4,292,920	40,860,245	(448,444)	337,700	3,000	46,836,323	(3,136,214)	(7,713)	(3,143,927)	88,737,817	21,102,965	109,840,782
Transactions with owners, recorded directly in shareholders' equity													
Dividends	27	-	-	-	-	-	(3,004,085)	-	-	-	(3,004,085)	(517,452)	(3,521,537)
<b>Total contributions by and distributions to owners of the parent</b>							<b>(3,004,085)</b>				<b>(3,004,085)</b>	<b>(517,452)</b>	<b>(3,521,537)</b>
Changes in ownership interests in subsidiaries													
Changes that do not result in a loss of control	4	-	-	(996,601)	-	-	-	-	-	-	(996,601)	(413,917)	(1,410,518)
Changes that result in an acquisition or a loss of control	4	-	-	-	-	-	-	-	-	-	-	2,618,513	2,618,513
<b>Total changes in ownership interests in subsidiaries</b>											<b>(996,601)</b>	<b>2,204,596</b>	<b>1,207,995</b>
Total transactions with owners, recorded directly in shareholders' equity							<b>(3,004,085)</b>				<b>(4,000,686)</b>	<b>1,687,144</b>	<b>(2,313,542)</b>
<b>Comprehensive income for the year</b>													
Profit or loss		-	-	-	-	-	8,294,367	-	-	-	8,294,367	1,352,577	9,646,944
Other comprehensive income		-	-	-	-	-	92,159	3,712,303	1,240	3,713,543	3,805,702	1,320,058	5,125,760
<b>Total comprehensive income for the year</b>							<b>8,386,526</b>	<b>3,712,303</b>	<b>1,240</b>	<b>3,713,543</b>	<b>12,100,069</b>	<b>2,672,635</b>	<b>14,772,704</b>
Transfer to legal reserve		-	-	-	112,300	-	(112,300)	-	-	-	-	-	-
<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>

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 2021

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>		
Profit for the year	9,646,944	7,305,918
<b><i>Adjustments for</i></b>		
Tax expense	2,065,425	1,001,605
Depreciation and amortization	8,315,232	7,183,177
Reversal expected credit loss	(59,092)	(6,245)
Loss on inventories devaluation (reversal)	89,820	(34,590)
Non-current employee benefit expense	370,276	352,135
Loss (gain) on foreign currency exchange	(209,704)	350,106
Share of profit of associates accounted for using equity method	(57,226)	(66,384)
Interest income	(196,725)	(217,369)
Interest expense	1,179,918	1,386,550
Loss on impairment of assets	132,349	-
Loss (gain) on measured at fair value and others	(1,405,125)	3,511
<b>Cash flows generated from operations</b>		
<b>before changes in operating assets and liabilities</b>	<b>19,872,092</b>	<b>17,258,414</b>
<b><i>Decrease (increase) in operating assets</i></b>		
Trade and other current receivables	(4,903,162)	(646,040)
Inventories	(6,881,734)	724,890
Other assets	(209,600)	(252,725)
<b>Net increase in operating assets</b>	<b>(11,994,496)</b>	<b>(173,875)</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 2021

	Note	2021	2020
		<i>(in thousand Baht)</i>	
<b><i>Increase (decrease) in operating liabilities</i></b>			
Trade and other current payables		2,224,408	227,803
Non-current provisions for employee benefits		(185,462)	(280,786)
Other liabilities		(169,025)	185,729
<b>Net increase in operating liabilities</b>		<b>1,869,921</b>	<b>132,746</b>
<b>Net cash flows generated from operations</b>		<b>9,747,517</b>	<b>17,217,285</b>
Income tax paid		(2,246,540)	(1,488,611)
<b>Net cash flows provided by operating activities</b>		<b>7,500,977</b>	<b>15,728,674</b>
<b><i>Cash flows from investing activities</i></b>			
Acquisition of subsidiary, net of cash acquired	4	(13,778,582)	(2,707,501)
Acquisitions of debt instruments		(11,038,224)	(480,705)
Proceeds from sales of property, plant and equipment		20,631	22,627
Acquisition of property, plant and equipment		(6,191,481)	(7,568,057)
Acquisition of other intangible assets		(223,690)	(157,596)
Proceeds from short-term loans to related party		7,328	4,523
Dividends received		14,397	7,739
Interest received		194,307	206,540
<b>Net cash flows used in investing activities</b>		<b>(30,995,314)</b>	<b>(10,672,430)</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 2021

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Cash flows from financing activities</i></b>		
Proceeds from issue of shares	-	40,092,165
Proceeds from changes in ownership interests		
in subsidiaries that do not result in a loss of control	-	2,557,172
Payments of changes in ownership interests in subsidiaries		
that do not result in a loss of control	(1,410,518)	(547,469)
<b><i>Proceeds from (payments of) borrowings</i></b>		
Proceeds from bank overdrafts and short-term borrowings		
from financial institutions	12,454,078	7,734,053
Decrease in short-term borrowing from related parties	-	(33,825,986)
Proceeds from long-term borrowings from financial institutions	5,000,000	15,327,851
Payments of long-term borrowings from financial institutions	(17,334,493)	(5,652,253)
Payments of lease liabilities	(549,444)	(490,137)
Proceeds from issuance of debenture	5,500,000	-
<b>Net increase (decrease) in borrowings</b>	<b>5,070,141</b>	<b>(16,906,472)</b>
<b>Dividends paid</b>		
Dividends paid to owners of the parent	(3,004,085)	(1,312,920)
Dividends paid to non-controlling interests	(517,452)	(666,535)
<b>Total dividends paid</b>	<b>(3,521,537)</b>	<b>(1,979,455)</b>
Interest and other finance costs paid	(1,180,397)	(1,426,178)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(1,042,311)</b>	<b>21,789,763</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(24,536,648)</b>	<b>26,846,007</b>
Effect of exchange rate changes on cash and cash equivalents	591,258	15,850
Cash and cash equivalents at beginning of the year	31,255,702	4,393,845
<b>Cash and cash equivalents at end of the year</b>	<b>7,310,312</b>	<b>31,255,702</b>
<b><i>Supplementary information for cash flows</i></b>		
<b>Non-cash transactions at end of the year</b>		
Account payables from purchase of assets	517,439	705,650
Accrued investments	3,664,557	572,618

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 2021**

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32	Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

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 2022.

**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 two main operating businesses (1) Integrated Packaging Business and (2) Fibrous Business.

Details of the subsidiaries, which were included in the consolidated financial statements, are as follows:

	2021	2020
	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
Visy Packaging (Thailand) Limited	100	80
Precision Print Co., Ltd.	100	75
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
The Siam Forestry Co., Ltd.	69.58	69.58
Siam Panawes Co., Ltd.	69.58	69.58

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	2021	2020
	Direct / Indirect Holding (%)	
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
Thai Union Paper Public Company Limited ***	-	69.55
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
<b><i>Registered in Philippines</i></b>		
United Pulp and Paper Co., Inc.	74.77	74.77
United Industrial Energy Corporation	74.77	74.77
<b><i>Registered in Vietnam</i></b>		
Go-Pak Vietnam Limited	100	-
Go-Pak Paper Products Vietnam Co., Ltd.	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	-
Duy Tan Long An Co., Ltd.	70	-
Duy Tan Precision Mold Co., Ltd	70	-
Mata Plastic Co., Ltd.	70	-
Duy Tan Binh Duong Plastics Co., Ltd.	70	-
Bien Hoa Packaging Joint Stock Company	65.88	65.88
Tin Thanh Packing Joint Stock Company	52.49	52.49
<b><i>Registered in Singapore</i></b>		
SCGP Solutions (Singapore) Pte. Ltd.	100	100
SCGP Rigid Packaging Solutions Pte. Ltd.	100	-
TCG Rengo (S) Limited *	70	70
TCG Solutions Pte.Ltd.	70	70

**SCG Packaging Public Company Limited and its Subsidiaries**  
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	2021	2020
	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 Dirtajaya Aneka Industri Box	52.50	-
PT Bahana Buana Box	52.50	-
PT Rapipack Asritama	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	-
<b><i>Registered in Spain</i></b>		
Detalab Global, S.L.	85	-
Detalab, S.L.	85	-
Keylab, S.L.U.	85	-
Nirco, S.L.	85	-
Envases Farmaceuticos, S.A.	85	-
Equilabo Scientific, S.L.U.	85	-
Sanilabo, S.L.U.	85	-

\* Currently in the liquidation process

\*\* 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.

\*\*\* Liquidation completed

Most of the above subsidiaries were established in Thailand unless otherwise stated. There was no material change in the percentage of holding from 2020, except during 2021, the Group increased its interests in Visy Packaging (Thailand) Limited and Precision Print Co., Ltd. as discussed in note 4 (b).

During 2021, the Group acquired the ordinary shares of Go-Pak UK Limited in United Kingdom, Duy Tan Plastics Manufacturing Corporation Joint Stock Company in Vietnam, PT Indonesia Dirtajaya Aneka Industri Box, PT Bahana Buana Box and PT Rapipack Asritama (Collectively “Intan Group”) in Indonesia and Detalab, S.L. in Spain. These companies’s assets, liabilities and operating results are included in the Group’s consolidated financial statements, as discussed in note 4 (a).

**SCG Packaging Public Company Limited and its Subsidiaries**  
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**2 Basis of preparation of the financial statements**

**(a) Statement of compliance**

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 Group has adopted the amendment to TFRS 16 *COVID-19 related rent concessions* which provides an option for lessees not to assess whether eligible COVID-19 related rent concessions are lease modification and the amendment to TFRS 3 *Definition of a Business* which clarifies the definition of a business and provides further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than a business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The Group adopted amendment to TFRS 16 and TFRS 3 since 1 January 2021, which have no material effect on the consolidated financial statements.

**(b) Functional and presentation currency**

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.

**(c) Use of estimates and judgments**

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 are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The COVID-19 outbreak resulted in estimation uncertainty. In 2020, the Group elected to apply accounting guidance on *temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19* by excluding COVID-19 situation for consideration of impairment of assets, fair values measurement, and lease modifications. As the accounting guidance already expired on 31 December 2020, the Group has adjusted the value of assets of 2021 that has no material impact on the consolidated financial statements.

**SCG Packaging Public Company Limited and its Subsidiaries**  
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**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.

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. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that investment were 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.

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**(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.

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 are accounted for as other surpluses or deficits in shareholders' equity.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any related non-controlling interests and other components of equity. Any resulting gain or loss arising from loss of control in 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.



**SCG Packaging Public Company Limited and its Subsidiaries**  
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**(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 maturity 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 trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. 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 reporting date.

**(f) Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost which is considered based on appropriateness of type of inventory.

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 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.

**SCG Packaging Public Company Limited and its Subsidiaries**  
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**(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 for 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 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 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 and 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.

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**(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 and 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 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 or construction in progress.

**SCG Packaging Public Company Limited and its Subsidiaries**  
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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
Transportation 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.

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.

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*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:

		Amortization method
Customer contracts and relationship	5, 20 years	Straight-line
Trademark	10, 20 years	Straight-line
Technology licenses and patent	4, 15 years	Straight-line
Software licenses	3 - 10 years	Straight-line

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 an expense on a straight-line basis over the lease term.

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.

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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.

*Calculation of 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 largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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*Reversal of impairment*

Impairment losses of assets 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 the current and prior periods. The defined benefit obligations is discounted to the present value which performed annually by a qualified actuary.

Remeasurements of the net defined benefit liability, actuarial gain or loss 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.

*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.

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*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 costs.

**(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.

*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 for this transaction and remains recognition of inventory 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 output or input method.



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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 programme that the Group offers to customers, the consideration received are 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 option 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, and 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 date the Group's right to receive payments is established.

*Royalty fee income*

Royalty fee income is recognized throughout the royalty period.

(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 issues an invoice.

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.

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**(s) Expenses**

*Finance costs*

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and dividends on preference shares classified as liabilities.

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 expense*

The Group offered 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 they relate 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.

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 reporting date.

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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 are translated to the respective functional currencies of each entity in the Group at the foreign 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 that date.

Non-monetary assets and liabilities which include arising from the payment or receipt of advance consideration measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

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 measured.

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.

*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 rates approximating the exchange rates at the dates of the transactions and using the weighted average method. 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 and presented in other components of equity until disposal of the foreign operation.

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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 that the Group issued 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 to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

An equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

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 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.

## **SCG Packaging Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2021**

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 which 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. Dividends are recognized as income in profit or loss on the date on which the Group's right to receive payment 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 expired. 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.

#### *Derivatives*

Derivative 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.

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*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 to actions 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.

*Interest*

Interest income and expense are recognized using the effective interest method.

## **SCG Packaging Public Company Limited and its Subsidiaries**

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#### **For the year ended 31 December 2021**

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 from selling 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.

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.

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**4 Acquisitions of business and changes in ownership interests of subsidiaries**

**Year 2021**

**(a) Acquisitions**

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 plastic 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 2021**

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 synergises 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.

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**(4) Dotalab 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 Dotalab, S.L. (“Dotalab”), 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 Dotalab 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.

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 2021, the determination of the fair values has been completed and the carrying amount of the assets acquired and liabilities assumed were recorded accordingly, except Dotalab’s assets and liabilities acquired on 9 December 2021. The determination of the fair values, especially for intangible assets acquired has not been completed. Therefore, they have been recorded at provisional amounts in consolidated statement of financial position as at 31 December 2021. The fair values of the assets acquired and liabilities assumed and goodwill may be adjusted when the report of the appraiser is completed.

The Group has continuously determined its review of fair values of the business acquired within one year from the acquisition date, taking into accounts additional information, facts as well as circumstances that existed at the acquisition date. Consequently, the adjustments on accounting transaction of such acquisition will be made.

**SCG Packaging Public Company Limited and its Subsidiaries**  
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Assets acquired and liabilities assumed at the acquisition date were as follows:

	Note	Fair Value			Total	
		Go-Pak	Duy Tan Intan Group	Deltalab		
		<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	11	595	4,743	1,698	154	7,190
Intangible assets	13	2,263	4,497	-	34	6,794
Other non-current assets		5	35	18	40	98
Trade and other current payables		(208)	(1,168)	(733)	(370)	(2,479)
Interest-bearing liabilities	16	(357)	(2,861)	(585)	(594)	(4,397)
Other current liabilities		(49)	(37)	(9)	(59)	(154)
Deferred tax liabilities	14	(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>
Less 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	13	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 28).

The assets, liabilities, and operating results of these subsidiaries have been included in the Group's consolidated financial statements for the year ended 31 December 2021 since the acquisition date with total revenue from sales of Baht 7,385 million and profit for the period of Baht 375 million to the Group's operating results. Revenue from sales of these subsidiaries since 1 January 2021 to the acquisition date amounting to Baht 8,089 million and profit for the period of Baht 804 million.

The Group incurred acquisition costs totaling Baht 362 million which have been included in administrative expenses in the consolidated income statement.

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**(b) Change in ownership interests in subsidiaries**

In the third quarter of 2021, the Group increased its interest in 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
Less Consideration paid to non-controlling interests	<u>(1,410)</u>
<b>Increase in other deficits</b>	<b><u>(996)</u></b>

**Year 2020**

**(a) Acquisitions**

During 2020, the Group acquired significant businesses as follows:

**(1) Bien Hoa Packaging Joint Stock Company, Vietnam**

On 18 December 2020, the Group acquired 94.11% of ordinary shares of Bien Hoa Packaging Joint Stock Company. ("SOVI"), which is listed on the Vietnam Stock Exchange which is one of leading fiber based packaging company, for a total consideration of VND 2,070 billion or equivalent to approximately Baht 2,669 million.

Obtaining control over SOVI will allow the Group to enlarge customer base particularly in food, beverage and fast-moving consumer goods segments and reinforce internal integration with its packaging paper manufacturing.

The Group has engaged an independent appraiser to determine the fair values of net assets and liabilities acquired. As at 31 December 2020, the determination of the fair values has not been completed. The Group recognized the provisional amounts of fair value in consolidated statement of financial position.

Subsequently in the first quarter of 2021, the determination of the fair values has been completed and the carrying amount of the assets acquired and liabilities assumed were recorded accordingly. The Group recognized a decrease of goodwill of Baht 128 million. This adjustment is in accordance with the accounting adjustment condition for business acquisition.

The Group has continuously determined its review of fair values of the business acquired within one year from the acquisition date, taking into accounts additional information, facts as well as circumstances that existed at the acquisition date. Consequently, the adjustments on accounting transaction of such acquisition will be made.

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Assets acquired and liabilities assumed at the acquisition date were as follows:

	<i>Note</i>	<b>Fair Value SOVI</b> <i>(in million Baht)</i>
Cash and cash equivalents		42
Trade and other current receivables		532
Inventories		184
Other current assets		194
Property, plant and equipment	<i>11</i>	1,017
Other non-current assets		9
Trade and other current payables		(404)
Interest-bearing liabilities	<i>16</i>	(252)
Other current liabilities		(17)
Deferred tax liabilities	<i>14</i>	(115)
<b>Net identifiable assets and liabilities</b>		<b>1,190</b>
<i>Less non-controlling interests</i>		<i>(70)</i>
<b>Recognized value of net assets acquired</b>		<b>1,120</b>
Goodwill	<i>13</i>	1,549
<b>Total consideration transferred</b>		<b>2,669</b>
Cash acquired		(42)
<b>Total consideration transferred - Net</b>		<b>2,627</b>

Consideration transferred includes cash in escrow account amounting to Baht 534 million, which will be released when certain conditions are met within 2 years from the acquisition date.

The assets and liabilities since acquisition date have been included in the Group's consolidated financial statements as at 31 December 2020, while the financial performance is not consolidated in the Group's consolidated financial statements. In 2020, SOVI recognized revenue from sale amounting to Baht 2,272 million and net profit for the year amounting to Baht 197 million.

The Group incurred acquisition costs totaling Baht 51 million which have been included in administrative expenses in the consolidated income statement.

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**(2) PT Fajar Surya Wisesa Tbk. and its subsidiary, Indonesia**

During the first quarter of 2020, the Group negotiated with the former shareholder of Fajar to reduce the contingent consideration by USD 10 million or equivalent to Baht 307 million. This resulted in a decrease in goodwill by Baht 307 million. In April 2020, the Group paid total consideration payable of Baht 615 million from the escrow account to the former shareholder as certain conditions were achieved.

**(b) Change in ownership interests in subsidiaries**

- On 31 January 2020 United Pulp and Paper Co., Inc. (“UPPC”), a subsidiary of the Group located in Philippines, has entered into a conditional share subscription agreement with Rengo Co., Ltd. (“Rengo”), a Japanese company. Subsequently, on 6 March 2020, Rengo transferred cash advance to purchase shares amounting to Philippines Peso 4,103 million or equivalent to Baht 2,557 million.

On 16 October 2020, UPPC completed the registration of the capital increase with the authorities. The Group’s equity share in UPPC will decrease from 99.7% to 74.8% and non-controlling interest has increased Baht 1,648 million in the fourth quarter of 2020, UPPC will remain a consolidated subsidiary of the Group.

- In the third quarter of 2020, the Group increased its interest in Prepack Thailand Co., Ltd. from 72% to 99.77% and its interest in Tin Thanh Packing Joint Stock Company, a subsidiary of the Group located in Vietnam, from 89.99% to 99.98% totalling Baht 547 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	475
Less Consideration paid to non-controlling interests	(547)
<b>Increase in other deficits</b>	<b>(72)</b>

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**5 Related parties**

Relationships with related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
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
P&S Holdings Corporation	Philippines	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
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 Cement-Building Materials 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 Co., Ltd.	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
Texplora 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
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
PT SCG Indonesia	Indonesia	A subsidiary of The Siam Cement Public Company Limited

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Name of entities	Country of incorporation / nationality	Nature of relationships
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 Marketing Philippines Inc.	Philippines	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.	USA	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
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 2021**

Significant transactions with related parties for the year ended 31 December and the pricing policies are summarized as follows:

	2021	2020	Pricing policies
	<i>(in thousand Baht)</i>		
<i>Parent</i>			
Revenue	6,800	11,628	Market price
Intellectual properties fees	-	262,740	Percentage of revenue from sales
Interest expense	-	254,467	Contract rate
Service fee	851,582	828,146	Cost plus margin method comparable
<i>Associates</i>			
Revenue	439,889	361,356	Market price
Dividends income	14,398	7,739	Upon declaration
Purchases	257,198	254,029	Market price
<i>Others</i>			
Revenue	6,409,186	3,900,966	Market price
Purchases	8,718,272	6,347,762	Market price
Service fee	3,006,406	2,470,033	Market price and contract rate

**SCG Packaging Public Company Limited and its Subsidiaries**  
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Balances as at 31 December with related parties were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Trade receivables</i>		
Parent	159	1,274
Associates	56,613	39,561
Others	1,126,461	652,107
<b>Total</b>	<b>1,183,233</b>	<b>692,942</b>
<i>Other current receivables</i>		
Parent	58,441	56,387
Associates	41,177	35,977
Others	27,068	9,405
<b>Total</b>	<b>126,686</b>	<b>101,769</b>
<i>Short-term loans</i>		
At 1 January	-	4,601
Increase	-	35,591
Decrease	-	(40,192)
<b>At 31 December</b>	<b>-</b>	<b>-</b>
<i>Other non-current receivables</i>		
Parent	163,693	210,951
Associate	120,118	117,331
<b>Total</b>	<b>283,811</b>	<b>328,282</b>
<i>Trade payables</i>		
Associate	29,511	18,312
Others	1,346,290	839,138
<b>Total</b>	<b>1,375,801</b>	<b>857,450</b>
<i>Other current payables</i>		
Parent	85,467	106,604
Associates	8,549	4,886
Others	39,487	67,142
<b>Total</b>	<b>133,503</b>	<b>178,632</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Short-term borrowings</i>		
At 1 January	-	33,827,196
Increase	-	7,910,548
Decrease	-	(41,737,744)
<b>At 31 December</b>	<b>-</b>	<b>-</b>
 <i>Lease liabilities</i>		
<i>Current and non-current portion</i>		
Parent	120,409	99,157
Associates	106,831	102,423
Others	240,667	9,148
<b>Total</b>	<b>467,907</b>	<b>210,728</b>

***The Board of Directors and key management compensation***

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>For the years ended 31 December</i></b>		
Short-term employee benefits	114,077	110,519
Post-employment benefits	8,895	8,536
<b>Total</b>	<b>122,972</b>	<b>119,055</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.

**6 Cash and cash equivalents**

	2021	2020
	<i>(in thousand Baht)</i>	
Cash on hand and at banks	3,667,833	29,010,562
Highly liquid short-term investments	3,642,479	2,245,140
<b>Total</b>	<b>7,310,312</b>	<b>31,255,702</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**7 Trade receivables**

	<i>Note</i>	2021 <i>(in thousand Baht)</i>	2020 <i>(in thousand Baht)</i>
<i>At 31 December</i>			
<b>Trade receivables</b>			
Related parties	5	<b>1,183,233</b>	<b>692,942</b>
Other companies		21,391,797	13,886,511
Less allowance for expected credit loss		(161,886)	(167,242)
<b>Net</b>		<b>21,229,911</b>	<b>13,719,269</b>
<b>Total</b>		<b>22,413,144</b>	<b>14,412,211</b>
		2021 <i>(in thousand Baht)</i>	2020 <i>(in thousand Baht)</i>
<i>At 31 December</i>			
<b>Trade receivables</b>			
<b>Related parties</b>			
Within credit terms		1,155,089	687,486
Overdue:			
Less than 1 month		19,794	5,324
1 - 3 months		1,578	58
Over 3 - 12 months		6,772	74
<b>Total</b>		<b>1,183,233</b>	<b>692,942</b>
<b>Other companies</b>			
Within credit terms		18,694,131	12,550,667
Overdue:			
Less than 1 month		1,872,669	959,151
1 - 3 months		573,732	161,593
Over 3 - 12 months		87,562	46,148
Over 12 months		163,703	168,952
		<b>21,391,797</b>	<b>13,886,511</b>
Less allowance for expected credit loss		(161,886)	(167,242)
<b>Net</b>		<b>21,229,911</b>	<b>13,719,269</b>
<b>Total</b>		<b>22,413,144</b>	<b>14,412,211</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 2021**

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Allowance for expected credit loss</i>		
At 1 January	167,242	169,967
Acquisitions through business combinations	77,811	-
Addition	7,359	8,312
Reversal	(73,465)	(11,151)
Write-off	(18,041)	(2,274)
Currency translation differences	980	2,388
<b>At 31 December</b>	<b>161,886</b>	<b>167,242</b>

**8 Inventories**

	2021	2020
	<i>(in thousand Baht)</i>	
Finished goods	5,844,942	3,491,472
Work in progress	1,175,268	772,706
Raw materials	10,186,929	3,651,692
Spare parts, stores, supplies and others	3,735,590	3,388,148
Goods in transit	2,712,984	1,748,110
<b>Total</b>	<b>23,655,713</b>	<b>13,052,128</b>
<i>Less allowance for decline in value</i>	<i>(347,788)</i>	<i>(292,028)</i>
<b>Net</b>	<b>23,307,925</b>	<b>12,760,100</b>
Cost of inventories recognized as an expense in cost of sales	101,218,274	73,369,678
Write-down to net realizable value	785,245	350,232
Reversal of write-down	(704,157)	(388,834)
Changes in finished goods and work in progress	(2,756,032)	831,007
Raw materials and supplies used	56,967,278	32,598,256

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**9 Investments in associates**

Movements for the years ended 31 December in investments in associates accounted for using the equity method were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
At 1 January	822,620	768,159
Share of net profit of investments - equity method	57,226	66,384
Share of other comprehensive income of investment - equity method	7,585	(4,184)
Dividend income	(14,397)	(7,739)
<b>At 31 December</b>	<b>873,034</b>	<b>822,620</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									
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(%)		<i>(in thousand Baht)</i>							
<b>Associates</b>										
Siam Toppan Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	457,756	429,675	8,697	2,989
Siam Nippon Industrial Paper Co., Ltd.	31	31	1,100,000	1,100,000	495,000	495,000	337,209	314,699	-	-
Saha Green Forest Co., Ltd.	17	17	190,000	190,000	47,500	47,500	78,069	78,246	5,700	4,750
P&S Holdings Corporation	40	40	262,588	262,588	105,121	105,121	-	-	-	-
<b>Total</b>			<b>2,052,588</b>	<b>2,052,588</b>	<b>892,621</b>	<b>892,621</b>	<b>873,034</b>	<b>822,620</b>	<b>14,397</b>	<b>7,739</b>

Summarized financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
Carrying amount of interests in associates	<b>873,034</b>	<b>822,620</b>
The Group's share of:		
- Profit for the year	57,226	66,384
- Other comprehensive income for the year	7,585	(4,184)
- Total comprehensive income for the year	<b>64,811</b>	<b>62,200</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**10 Investment property**

	Land and land improvements	Buildings and structures	Total
	<i>(in thousand Baht)</i>		
<b><i>Cost</i></b>			
At 1 January 2020	174,032	58,295	232,327
Transfer to property, plant and equipment	(50,657)	-	(50,657)
<b>At 31 December 2020</b>	<b>123,375</b>	<b>58,295</b>	<b>181,670</b>
Transfer from property, plant and equipment	-	4,673	4,673
<b>At 31 December 2021</b>	<b>123,375</b>	<b>62,968</b>	<b>186,343</b>
<b><i>Accumulated depreciation</i></b>			
At 1 January 2020	-	31,656	31,656
Depreciation charge for the year	-	5,831	5,831
<b>At 31 December 2020</b>	<b>-</b>	<b>37,487</b>	<b>37,487</b>
Depreciation charge for the year	-	5,953	5,953
Transfer from property, plant and equipment	-	4,673	4,673
<b>At 31 December 2021</b>	<b>-</b>	<b>48,113</b>	<b>48,113</b>
<b><i>Carrying amount</i></b>			
<b>At 31 December 2020</b>	<b>123,375</b>	<b>20,808</b>	<b>144,183</b>
<b>At 31 December 2021</b>	<b>123,375</b>	<b>14,855</b>	<b>138,230</b>

The Group determined fair value of investment property as at 31 December 2021 at open market values on an existing use basis. The fair value was Baht 434 million (2020: Baht 431 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 the discounted cash flows and market approach.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**11 Property, plant and equipment**

	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Transportation and equipment	Construction in progress	Bearer plant	Total
	<i>(in thousand Baht)</i>							
<b>Cost</b>								
At 1 January 2020	8,493,544	20,795,228	142,189,858	2,058,005	1,064,232	7,758,728	41,684	182,401,279
Acquisitions through business combinations <i>(see note 4)</i>	171,636	318,556	1,013,407	14,539	25,604	12,979	-	1,556,721
Additions	197,142	292,908	1,502,510	107,495	175,898	6,567,437	3,919	8,847,309
Disposals/written off	(14,852)	(16,396)	(1,552,849)	(51,254)	(43,057)	(4,616)	(9,617)	(1,692,641)
Transfer from investment property	50,657	-	-	-	-	-	-	50,657
Transfers in (out)	99,028	589,491	3,551,691	40,158	9,374	(4,288,233)	10,946	12,455
Currency translation differences	(55,809)	(6,098)	(134,699)	710	(1,900)	(10,434)	-	(208,230)
<b>At 31 December 2020</b>	<b>8,941,346</b>	<b>21,973,689</b>	<b>146,569,918</b>	<b>2,169,653</b>	<b>1,230,151</b>	<b>10,035,861</b>	<b>46,932</b>	<b>190,967,550</b>
Acquisitions through business combinations <i>(see note 4)</i>	1,843,882	1,975,495	6,024,940	109,693	385,561	570,646	-	10,910,217
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>11,578,396</b>	<b>25,942,827</b>	<b>162,754,296</b>	<b>2,419,680</b>	<b>1,803,420</b>	<b>9,600,796</b>	<b>44,007</b>	<b>214,143,422</b>



**SCG Packaging Public Company Limited and its Subsidiaries**  
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	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Transportation and equipment	Construction in progress	Bearer plant	Total
	<i>(in thousand Baht)</i>							
<b>Accumulated depreciation</b>								
<b>and accumulated</b>								
<b>impairment losses</b>								
At 1 January 2020	1,265,069	10,608,523	83,659,249	1,647,418	465,534	2,590	13,305	97,661,688
Acquisitions through business combinations (see note 4)	-	82,020	430,754	11,093	15,609	-	-	539,476
Depreciation charge for the year	157,071	839,953	5,626,132	160,928	269,992	-	3,029	7,057,105
Disposals/written off	(7,350)	(14,564)	(1,503,785)	(50,501)	(27,254)	-	(9,617)	(1,613,071)
Transfers in (out)	4,673	(4,763)	(8,315)	(472)	(283)	-	687	(8,473)
Currency translation differences	2,564	4,891	53,361	932	(2,210)	-	-	59,538
<b>At 31 December 2020</b>	<b>1,422,027</b>	<b>11,516,060</b>	<b>88,257,396</b>	<b>1,769,398</b>	<b>721,388</b>	<b>2,590</b>	<b>7,404</b>	<b>103,696,263</b>
Acquisitions through business combinations (see note 4)	23,645	255,020	3,026,899	63,995	182,169	-	-	3,551,728
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>1,630,938</b>	<b>12,852,355</b>	<b>99,399,134</b>	<b>1,990,868</b>	<b>1,085,512</b>	<b>-</b>	<b>3,376</b>	<b>116,962,183</b>
<b>Net book value</b>								
<b>At 31 December 2020</b>								
Owned assets	6,708,314	9,745,254	56,924,749	365,492	119,658	10,033,271	39,528	83,936,266
Right-of-use assets	811,005	712,375	1,387,773	34,763	389,105	-	-	3,335,021
	<b>7,519,319</b>	<b>10,457,629</b>	<b>58,312,522</b>	<b>400,255</b>	<b>508,763</b>	<b>10,033,271</b>	<b>39,528</b>	<b>87,271,287</b>
<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>

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In 2021, the right-of-use assets of the Group has increased amounting to Baht 635 million (2020: Baht 481 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 44 million (2020: Baht 59 million), rates of interest capitalized at 0.66% to 4.90% per annum (2020: 1.30% to 5.35% per annum).

For the purpose of impairment testing of property, plant and equipment of the Group where indicators occurred, the recoverable amount was based on the higher of its value in use, determined by discounting the future cash flows and its fair value less costs to sell.

The Group used 5-year forecast discounted future cash flows projection, residual value and discount rate from weighted average cost of capital of the Group which determined from estimate and judgment of the management under the discounted future cash flows method. The recoverable amount from fair value in which the Group assessed by independent appraiser and fair value measurement was classified as the fair value level 3.

**12 Leases**

The Group leases land, buildings, transportation 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>	2021	2020
	<i>(in thousand Baht)</i>	
<i>Amounts recognized in profit or loss</i>		
Depreciation of right-of-use assets:		
– Land and land improvements	65,417	54,205
– Buildings and structures	233,538	139,214
– Transportation and equipment	219,472	223,002
– Others	76,868	100,397
Interest on lease liabilities	93,720	58,624
Expenses relating to short-term leases	200,090	205,752
Expenses relating to leases of low-value assets	56,641	60,629

**SCG Packaging Public Company Limited and its Subsidiaries**  
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**13 Goodwill and other intangible assets**

	Goodwill	Other intangible assets			Total other intangible assets
		Customer contracts and relationship	Trademark technology licenses and patent	Software licenses and others	
<i>(in thousand Baht)</i>					
<b>Cost</b>					
At 1 January 2020	17,612,266	153,597	374,341	1,176,617	1,704,555
Acquisition through business combinations (see note 4)	1,208,394	-	-	3,822	3,822
Additions	-	-	-	127,314	127,314
Disposals/written off	-	-	-	(3,761)	(3,761)
Transfers in (out)	-	-	-	33,066	33,066
Currency translation differences	(196,990)	-	-	(873)	(873)
<b>At 31 December 2020</b>	<b>18,623,670</b>	<b>153,597</b>	<b>374,341</b>	<b>1,336,185</b>	<b>1,864,123</b>
Acquisition through business combinations (see note 4)	9,072,041	4,578,688	2,082,438	350,302	7,011,428
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>1,919,383</b>	<b>9,450,754</b>
<b>Accumulated amortization</b>					
At 1 January 2020	-	24,081	8,319	858,123	890,523
Acquisition through business combinations (see note 4)	-	-	-	2,918	2,918
Amortization charge for the year	-	50,172	24,956	87,828	162,956
Disposals/written off	-	-	-	(3,731)	(3,731)
Currency translation differences	-	-	-	(1,114)	(1,114)
<b>At 31 December 2020</b>	<b>-</b>	<b>74,253</b>	<b>33,275</b>	<b>944,024</b>	<b>1,051,552</b>
Acquisition through business combinations (see note 4)	-	-	-	217,004	217,004
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>1,270,489</b>	<b>1,700,752</b>
<b>Carrying amount</b>					
<b>At 31 December 2020</b>	<b>18,623,670</b>	<b>79,344</b>	<b>341,066</b>	<b>392,161</b>	<b>812,571</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>

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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 used 5-year forecast discounted future cash flows projection, terminal value and discount rate from weighted average cost of capital of the Group which determined from estimate and judgment of the management.

**14 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:

	2021	2020
	<i>(in thousand Baht)</i>	
Deferred tax assets	920,301	971,601
Deferred tax liabilities	(4,491,388)	(2,403,658)
<b>Net</b>	<b><u>(3,571,087)</u></b>	<b><u>(1,432,057)</u></b>

Movements in total deferred tax assets and liabilities during the year were as follows:

	At	Credited (charged) to			Currency	At	
	1 January	profit	other	Increase	translation	31 December	
	2020	or loss	comprehensive	through	differences	2020	
		<i>(Note 24)</i>			business		
			income	combinations			
			<i>(in thousand Baht)</i>				
<b><i>Deferred tax assets</i></b>							
Loss carry forward	287,198	212,471	-	-	(1,438)	498,231	
Investments	-	32,022	-	-	-	32,022	
Trade receivables	27,852	506	-	-	(6)	28,352	
Inventories	110,833	(25,212)	-	-	9	85,630	
Property, plant and equipment	22,123	6,612	-	1,892	(142)	30,485	
Provisions for employee benefits	709,336	(18,293)	34,093	505	(2,282)	723,359	
Others	4,090	15,098	-	-	(167)	19,021	
<b>Total</b>	<b><u>1,161,432</u></b>	<b><u>223,204</u></b>	<b><u>34,093</u></b>	<b><u>2,397</u></b>	<b><u>(4,026)</u></b>	<b><u>1,417,100</u></b>	
<b><i>Deferred tax liabilities</i></b>							
Property, plant and equipment	3,172,241	(482,312)	-	114,847	(54,799)	2,749,977	
Intangible assets	105,976	(16,533)	-	-	(6)	89,437	
Others	10,308	(468)	-	-	(97)	9,743	
<b>Total</b>	<b><u>3,288,525</u></b>	<b><u>(499,313)</u></b>	<b><u>-</u></b>	<b><u>114,847</u></b>	<b><u>(54,902)</u></b>	<b><u>2,849,157</u></b>	
<b>Net</b>	<b><u>(2,127,093)</u></b>	<b><u>722,517</u></b>	<b><u>34,093</u></b>	<b><u>(112,450)</u></b>	<b><u>50,876</u></b>	<b><u>(1,432,057)</u></b>	

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	At 1 January 2021	Credited (charged) to		Increase through business combinations	Currency translation differences	At 31 December 2021
		profit or loss	other comprehensive income			
		<i>(Note 24)</i>				
		<i>(in thousand Baht)</i>				
<b><i>Deferred tax assets</i></b>						
Loss carry forward	498,231	(91,239)	-	-	15,272	422,264
Investments	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><i>Deferred tax liabilities</i></b>						
Property, plant and equipment	2,749,977	191,718	-	764,265	307,615	4,013,575
Intangible assets	89,437	(19,467)	-	881,726	20,937	972,633
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>

In 2020, The Indonesian Government, through PP No. 1 Tahun 2020 dated 31 March 2020 announced a change in the corporate income tax rate from 25% to 22% for accounting periods 2020 and 2021, and to 20% 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 decrease amounting to Baht 482 million in the consolidated income statement.

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.

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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:

	2021	2020
	<i>(in thousand Baht)</i>	
Temporary differences		
- Property, plants and equipment	117,374	23,706
- Provisions for employee benefits	198,258	83,725
- Others	87,124	169,784
Unused tax losses	766,211	1,236,556
<b>Total</b>	<b><u>1,168,967</u></b>	<b><u>1,513,771</u></b>

The unused tax losses which the Group has not recognized these items in deferred tax asset do not expire under tax legislation would be expired within 2026.

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**15 Changes in liabilities arising from financing activities**

	Bank overdrafts and short-term borrowings	Long-term borrowings	Lease liabilities	Debenture	Total
	<i>(in thousand Baht)</i>				
At 1 January 2020	40,958,705	18,502,060	1,558,182	-	61,018,947
Changes from financing cash flows	(26,091,933)	9,675,598	(490,137)	-	(16,906,472)
Leases	-	-	399,032	-	399,032
Changes arising from business acquisition <i>(see note 4)</i>	195,153	56,740	-	-	251,893
The effect of changes in foreign exchange rates	18,125	47,988	7,235	-	73,348
Other non-cash movement	-	71,421	19,438	-	90,859
<b>At 31 December 2020</b>	<b>15,080,050</b>	<b>28,353,807</b>	<b>1,493,750</b>	<b>-</b>	<b>44,927,607</b>
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 <i>(see note 4)</i>	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>

In the fourth quarter of 2020, the Company uses the proceeds from the initial public offering of newly issued ordinary shares to repaid the short-term borrowings from financial institutions amounting to Baht 13,000 million according to the intention to use the proceeds from the initial public offering.

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**16 Interest-bearing liabilities**

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Current</i></b>		
Bank overdrafts and short-term borrowings from financial institutions		
- Unsecured	<u>30,547,449</u>	<u>15,080,050</u>
Current portion of long-term borrowings from financial institution		
- Secured	106,361	7,377
- Unsecured	<u>1,758,572</u>	<u>16,294,784</u>
	<b><u>1,864,933</u></b>	<b><u>16,302,161</u></b>
Current portion of lease liabilities	<u>476,647</u>	<u>426,936</u>
<b>Total</b>	<b><u>32,889,029</u></b>	<b><u>31,809,147</u></b>
<b><i>Non-current</i></b>		
Long-term borrowings from financial institutions		
- Secured	202,090	49,803
- Unsecured	<u>16,468,644</u>	<u>12,001,843</u>
	<b><u>16,670,734</u></b>	<b><u>12,051,646</u></b>
Lease liabilities	<u>1,718,428</u>	<u>1,066,814</u>
Debenture	<u>5,493,051</u>	<u>-</u>
<b>Total</b>	<b><u>23,882,213</u></b>	<b><u>13,118,460</u></b>
<b>Total interest-bearing liabilities</b>	<b><u>56,771,242</u></b>	<b><u>44,927,607</u></b>

On 1 April 2021, the Company issued debenture No.1/2021 amounting to Baht 5,500 million at a fixed interest rate of 2.65% per annum with a term of 3 years and 8 months. The debenture will be due in 2024.

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.

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. Currently, the Group is in the process of refinancing of an existing long-term borrowings and releasing the collateral. In addition, the collateral of the secured long-term borrowings at the end of 2020 from the business acquisition in Vietnam has been settled all borrowing and released all collaterals.



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As at 31 December 2021, bank overdrafts and short-term borrowings from financial institutions of the Group has an average interest rate from 0.55% to 5.45% per annum (2020: 0.55% to 9.50% per annum).

As at 31 December 2021, long-term borrowings from financial institutions of the Group has an average interest rate from 0.75% to 8.50 % per annum (2020: 1.00% to 10.90 % per annum).

**17 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*

	2021	2020
	<i>(in thousand Baht)</i>	
Post-employment benefits		
Legal severance payments plan	3,746,316	3,465,025
Pension	43,573	45,144
Other long-term employee benefits	107,690	109,766
<b>Total non-current provisions for defined benefit plans</b>	<b>3,897,579</b>	<b>3,619,935</b>
Other employee benefits	70	161
<b>Total</b>	<b>3,897,649</b>	<b>3,620,096</b>
Less plan assets of foreign subsidiaries	(20,058)	(22,013)
<b>Total non-current provisions for employee benefits - net</b>	<b>3,877,591</b>	<b>3,598,083</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*

	2021	2020
	<i>(in thousand Baht)</i>	
Non-current provisions for defined benefit plans at 1 January	3,619,935	3,386,504
<b><i>Included in profit or loss</i></b>		
Current service costs	227,991	217,515
Interest on obligation	106,400	102,852
Actuarial losses	1,992	31,768
	<u>336,383</u>	<u>352,135</u>
<b><i>Included in other comprehensive income</i></b>		
Actuarial losses (gains)	(137,031)	158,262
Currency translation differences	92,521	(6,729)
	<u>(44,510)</u>	<u>151,533</u>
<b><i>Others</i></b>		
Benefits paid	(153,674)	(281,908)
Acquisitions through business combinations	88,988	-
Others	50,457	11,671
	<u>(14,229)</u>	<u>(270,237)</u>
<b>Non-current provisions for defined benefit plans at 31 December</b>	<u><b>3,897,579</b></u>	<u><b>3,619,935</b></u>

**SCG Packaging Public Company Limited and its Subsidiaries**  
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Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>For the years ended 31 December</i></b>		
Demographic assumptions	35,557	26,358
Financial assumptions	(177,114)	87,068
Experience adjustment	4,526	45,637
<b>Total</b>	<b><u>(137,031)</u></b>	<b><u>159,063</u></b>

***Actuarial assumptions***

*Principal actuarial assumptions as of the end of the reporting period*

	2021	2020
	<i>(%)</i>	
Discount rate *		
- Thailand	1.06 - 2.55	1.18 - 1.82
- Vietnam	2.07	2.53
- Indonesia	6.6 - 7.4	6.6 - 7.5
- Philippines	4.00	5.50
Salary increase rate	1.00 - 7.46	3.00 - 8.00
Employee turnover rate **	2.00 - 50.00	2.00 - 50.00
Mortality rate ***	50.00, 100.00	50.00, 100.00
	of TMO2017	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 2021, the weighted-average duration for payment of long-term employee benefits was approximately 12 - 22 years.

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*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)	
	2021	2020
	<i>(in thousand Baht)</i>	
Discount rate		
0.50% increase	(137,602)	(149,814)
0.50% decrease	149,580	163,399
Salary increase rate		
1.00% increase	287,344	306,347
1.00% decrease	(249,176)	(264,811)
Employee turnover rate		
10.00% increase	(65,603)	(71,156)
10.00% decrease	68,226	74,133

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.

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**18 Share capital**

		2021		2020	
	Par Value (in Baht)	Number of shares	Value (in thousand shares / thousand Baht)	Number of shares	Value
<b>Authorized</b>					
At 1 January					
- ordinary shares	1	4,500,000	4,500,000	4,500,000	4,500,000
<b>At 31 December</b>					
- ordinary shares	<b>1</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>
<b>Issued and paid-up</b>					
At 1 January					
- ordinary shares	1	4,292,920	4,292,920	3,126,000	3,126,000
Increase of new shares					
- ordinary shares	1	-	-	1,166,920	1,166,920
<b>At 31 December</b>					
- ordinary shares	<b>1</b>	<b>4,292,920</b>	<b>4,292,920</b>	<b>4,292,920</b>	<b>4,292,920</b>

*Share premium*

Section 51 of the Public Companies Act B. E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

*Initial public offering*

The Company offered 1,296.68 million newly issued ordinary shares with a par value of Baht 1 per share which consists of (1) the offering of 1,127.55 million newly issued ordinary shares in the IPO and (2) the over-allotment of 169.13 million newly issued ordinary shares, the Over-Allotment Agent has borrowed 169.13 million ordinary shares from the parent company to deliver to the subscribers. The Over-Allotment Agent shall procure the aforementioned number of shares by purchasing the Company’s shares traded on the Stock Exchange of Thailand (SET) or by exercising the right to purchase the Company’s shares allocated for such purpose, in the total number of 169.13 million shares, within 30 days from the date on which the Company’s shares start trading on the SET.

On 19 October 2020, the Company registered the increase of 1,127.55 million paid-up share capital with the Ministry of Commerce, with an offering price of Baht 35 per share (par value of Baht 1) amounting to Baht 39,464 million. The shares of the Company began trading on the Stock Exchange of Thailand on 22 October 2020.

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On 20 November 2020, after the 30-day period of exercising the right to purchase, the Over-Allotment Agent has purchased the Company's shares traded on the SET in the amount of 129.76 million shares and has announced its intention to exercise its right to purchase the 39.37 million newly-issued ordinary shares from the Company at the price of Baht 35 per share, which is the same price as the IPO price, totaling Baht 1,378 million to return the shares to the parent company. The Company issued and allocated such shares to the Over-Allotment Agent and registered the change in the paid-up capital with the Ministry of Commerce on 25 November 2020, the Company's paid-up capital with a total of 4,293 million issued shares at the par value of Baht 1 per share in the amount of Baht 4,293 million.

Expenses directly attributable to the IPO of Baht 750 million were deducted from the IPO's share premium, which was received from shares offering to investors as at 31 December 2020, resulted in net share premium of Baht 40,860 million.

**19 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.

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**20 Business segment information**

Segment information is presented in respect of the Group's business segments. The primary format, 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>Other</i>	Holding company

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		Other		Intersegment Elimination		Consolidated SCGP	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>									
<b>Information from statement of financial position</b>										
Current assets	47,856,212	33,741,848	9,312,989	4,891,681	56,478,895	58,028,265	(44,461,866)	(33,742,877)	69,186,230	62,918,917
Investments in associates	-	-	415,278	392,945	457,756	429,675	-	-	873,034	822,620
Investments in equity instrument	813,757	813,110	-	-	40,577,172	34,447,438	(41,383,130)	(35,254,396)	7,799	6,152
Property, plant and equipment	79,031,095	68,705,641	18,363,871	18,774,437	344,752	324,220	(558,479)	(533,011)	97,181,239	87,271,287
Others non-current assets	32,903,865	19,932,159	6,308,368	1,229,407	626,436	509,216	(263,230)	(260,878)	39,575,439	21,409,904
<b>Total assets</b>	<b>160,604,929</b>	<b>123,192,758</b>	<b>34,400,506</b>	<b>25,288,470</b>	<b>98,485,011</b>	<b>93,738,814</b>	<b>(86,666,705)</b>	<b>(69,791,162)</b>	<b>206,823,741</b>	<b>172,428,880</b>
Short-term borrowings	57,925,539	40,111,534	1,939,983	1,465,130	16,551,186	23,435,242	(43,527,679)	(33,202,759)	32,889,029	31,809,147
Other current liabilities	17,326,102	10,106,365	2,449,183	1,569,240	249,204	304,929	(936,939)	(552,996)	19,087,550	11,427,538
Long-term borrowings	7,733,271	7,639,235	1,398,288	1,185,393	15,594,539	5,093,582	(843,885)	(799,750)	23,882,213	13,118,460
Other non-current liabilities	7,053,880	5,204,726	1,074,915	635,544	536,210	392,683	-	-	8,665,005	6,232,953
Total liabilities	90,038,792	63,061,860	6,862,369	4,855,307	32,931,139	29,226,436	(45,308,503)	(34,555,505)	84,523,797	62,588,098
Shareholders' equity	70,566,137	60,130,898	27,538,137	20,433,163	65,553,872	64,512,378	(41,358,202)	(35,235,657)	122,299,944	109,840,782
<b>Total liabilities and shareholders' equity</b>	<b>160,604,929</b>	<b>123,192,758</b>	<b>34,400,506</b>	<b>25,288,470</b>	<b>98,485,011</b>	<b>93,738,814</b>	<b>(86,666,705)</b>	<b>(69,791,162)</b>	<b>206,823,741</b>	<b>172,428,880</b>
<b>Supplementary information</b>										
Increase in non-current assets	24,407,443	10,302,426	6,257,252	777,140	217,369	121,600	-	-	30,882,064	11,201,166



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	Integrated Packaging Business		Fibrous Business		Other		Intersegment Elimination		Consolidated SCGP	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>									
<b>Information from income statement</b>										
Revenue from sales	105,562,451	78,902,697	18,660,206	13,883,271	-	-	-	-	124,222,657	92,785,968
External customers	271,420	272,241	1,996,047	1,564,325	-	-	(2,267,467)	(1,836,566)	-	-
Intersegment	105,833,871	79,174,938	20,656,253	15,447,596	-	-	(2,267,467)	(1,836,566)	124,222,657	92,785,968
Total revenue from sales	(86,723,725)	(61,007,890)	(17,153,141)	(14,422,014)	-	-	2,532,346	2,097,312	(101,344,520)	(73,332,592)
Cost of sales	19,110,146	18,167,048	3,503,112	1,025,582	-	-	264,879	260,746	22,878,137	19,453,376
Gross profit	877,414	653,473	1,513,034	133,469	7,025,773	4,997,217	(6,884,777)	(5,181,794)	2,531,444	602,365
Other income	19,987,560	18,820,521	5,016,146	1,159,051	7,025,773	4,997,217	(6,619,898)	(4,921,048)	25,409,581	20,055,741
Profit before expenses	(10,129,198)	(8,401,323)	(2,537,634)	(1,897,789)	(2,210,413)	(1,807,798)	2,302,725	1,744,189	(12,574,520)	(10,362,721)
Operating expenses										
Profit (loss) before finance cost and income tax	9,858,362	10,419,198	2,478,512	(738,738)	4,815,360	3,189,419	(4,317,173)	(3,176,859)	12,835,061	9,693,020
Finance cost	(1,347,370)	(1,346,227)	(158,461)	(77,676)	(490,091)	(818,922)	816,004	790,944	(1,179,918)	(1,451,881)
Profit (loss) before income tax	8,510,992	9,072,971	2,320,051	(816,414)	4,325,269	2,370,497	(3,501,169)	(2,385,915)	11,655,143	8,241,139
Tax income (expense)	(1,761,216)	(1,102,030)	(264,823)	94,527	(36,149)	10,268	(3,237)	(4,370)	(2,065,425)	(1,001,605)
Profit (loss) after income tax	6,749,776	7,970,941	2,055,228	(721,887)	4,289,120	2,380,765	(3,504,406)	(2,390,285)	9,589,718	7,239,534
Share of profit of associates										
accounted for using equity method	-	-	27,598	59,561	29,628	6,823	-	-	57,226	66,384
<b>Profit (loss) for the year</b>	<b>6,749,776</b>	<b>7,970,941</b>	<b>2,082,826</b>	<b>(662,326)</b>	<b>4,318,748</b>	<b>2,387,588</b>	<b>(3,504,406)</b>	<b>(2,390,285)</b>	<b>9,646,944</b>	<b>7,305,918</b>

Revenue from sales of Integrated Packaging Business's proportion is 85% of the total revenue from sales including Packaging Paper 52%, Fiber-Based Packaging 25%, and Performance and Polymer Packaging 8%.

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	Integrated Packaging Business		Fibrous Business		Other		Intersegment Elimination		Consolidated SCGP	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Profit (loss) attributable to:										
<b>Owners of the parent</b>	<b>5,912,511</b>	<b>7,200,544</b>	<b>2,083,846</b>	<b>(655,082)</b>	<b>4,318,748</b>	<b>2,387,588</b>	<b>(4,020,738)</b>	<b>(2,475,575)</b>	<b>8,294,367</b>	<b>6,457,475</b>
Non-controlling interests	837,265	770,397	(1,020)	(7,244)	-	-	516,332	85,290	1,352,577	848,443
	6,749,776	7,970,941	2,082,826	(662,326)	4,318,748	2,387,588	(3,504,406)	(2,390,285)	9,646,944	7,305,918
Interest income	168,361	185,069	2,606	2,039	805,762	785,509	(780,004)	(755,248)	196,725	217,369
Depreciation and amortization	6,219,685	5,369,624	2,047,351	1,765,602	82,088	80,355	(33,892)	(32,404)	8,315,232	7,183,177
Other non-monetary items:										
- Loss on inventories devaluation (Reversal)	70,400	7,212	19,420	(41,802)	-	-	-	-	89,820	(34,590)
- Loss on impairment of assets	31,400	-	100,949	-	-	-	-	-	132,349	-

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***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	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Thailand	54,131,757	47,961,357	53,290,362	56,276,421
Indonesia	24,251,480	13,106,956	43,803,741	36,976,381
Vietnam	16,737,871	10,689,361	21,997,797	7,716,954
China	10,654,125	9,640,829	-	-
Philippines	4,261,843	2,917,569	5,692,963	4,627,891
United Kingdom	1,634,860	55,602	5,266,897	-
Spain	228,110	-	3,201,846	-
Others	12,322,611	8,414,294	1,298,623	1,254,064
<b>Total</b>	<b>124,222,657</b>	<b>92,785,968</b>	<b>134,552,229</b>	<b>106,851,711</b>

***Major customer***

The Group has no revenue from one customer for the amount over 10% of the Group's total revenue from sales.

**21 Distribution costs**

	2021	2020
	<i>(in thousand Baht)</i>	
Freight and commission expenses	5,068,222	3,480,445
Salary, welfare and employee expenses	1,084,763	825,363
Sales promotion and advertising expenses	160,445	150,097
Custom, insurance expense and intellectual properties fees	135,991	361,297
Rent, depreciation and amortization expenses	108,746	85,020
Others	261,507	246,555
<b>Total</b>	<b>6,819,674</b>	<b>5,148,777</b>

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**22 Administrative expenses**

	2021	2020
	<i>(in thousand Baht)</i>	
Salary, welfare and employee expenses	2,882,603	2,715,716
Rent, depreciation and amortization expenses	760,736	312,445
Professional and consultant fees	757,172	716,178
IT fees	346,025	304,321
Service expenses	315,749	326,904
Idle costs	50,132	43,186
Others	642,429	572,986
<b>Total</b>	<b><u>5,754,846</u></b>	<b><u>4,991,736</u></b>

**23 Employee benefit expenses**

	2021	2020
	<i>(in thousand Baht)</i>	
Salaries and wages	9,703,495	8,531,895
Welfares and others	1,135,638	1,020,842
Contribution to defined contribution plans	446,841	457,436
Contribution to defined benefit plans	336,383	352,135
Early retirement expenses	64,592	240,296
<b>Total</b>	<b><u>11,686,949</u></b>	<b><u>10,602,604</u></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.

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**24 Income tax**

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
<b><i>Income tax recognized in profit or loss</i></b>			
<b>Current tax</b>			
Current tax		1,814,026	1,699,728
Under provided in prior years		19,513	24,394
		<u>1,833,539</u>	<u>1,724,122</u>
<b>Deferred tax</b>			
Movements in temporary differences	14	231,886	(722,517)
<b>Total</b>		<u><b>2,065,425</b></u>	<u><b>1,001,605</b></u>
<b><i>Income tax recognized in other comprehensive income</i></b>			
Gains (losses) on remeasurement of defined benefit plan		25,725	(34,478)
<b>Total</b>		<u><b>25,725</b></u>	<u><b>(34,478)</b></u>

***Reconciliation of effective tax rate***

	2021		2020	
	Rate	<i>(in thousand</i>	Rate	<i>(in thousand</i>
	(%)	<i>Baht)</i>	(%)	<i>Baht)</i>
Profit before income tax expense		11,712,369		8,307,523
Share of profit of associates		(57,226)		(66,384)
		<u>11,655,143</u>		<u>8,241,139</u>
Income tax using the Thai corporation tax rate	20	2,331,029	20	1,648,228
Effect of different tax rates in foreign jurisdictions		17,759		51,635
Income not subject to tax		(205,609)		(97,761)
Tax privileges		(297,995)		(237,692)
Expenses deductible at a greater amount		(51,006)		(177,332)
Expenses not deductible for tax purposes and others		180,999		98,754
Tax losses		(161,151)		413,896
<b>Current tax</b>		<u><b>1,814,026</b></u>		<u><b>1,699,728</b></u>
Under provided in prior years		19,513		24,394
Movement in temporary differences		231,886		(722,517)
<b>Income tax expense</b>	<u><b>18</b></u>	<u><b>2,065,425</b></u>	<u><b>12</b></u>	<u><b>1,001,605</b></u>

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**25 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>Thai Containers Rayong Co., Ltd.</b>		
Manufacture of corrugated paper and cartons	4 January 2009	4 January 2017
<b>Visy Packaging (Thailand) Limited</b>		
Manufacture of plastics sheet and plastics product	23 September 2009	23 September 2017
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
		50% Deduction of normal corporate income tax for 3 years from
<b>Thai Containers Group Co., Ltd.</b>		
Manufacture of corrugated paper (Samut Prakan)		21 August 2019
<b>Thai Containers Khonkaen Co., Ltd.</b>		
Manufacture of corrugated paper and cartons		21 August 2019
		Exemption from corporate income tax for 8 years from
<b>The Siam Forestry Co., Ltd.</b>		
Eucalyptus forest plantation		19 June 2013
<b>Thai Cane Paper Public Company Limited</b>		
Manufacture of kraft paper		21 May 2013
Manufacture of kraft paper		21 February 2014
<b>SCG Paper Energy Co., Ltd.</b>		
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

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	Exemption from corporate income tax for 8 years
<b>SCG Paper Energy Co., Ltd.</b>	
Electricity production	22 December 2020
Electricity production	24 February 2021
Electricity production	12 March 2021
<b>Thai Containers Group Co., Ltd.</b>	
Manufacture of corrugated paper	1 October 2012
Manufacture of corrugated paper	9 June 2017
<b>Precision Print Co., Ltd.</b>	
Manufacture of printing	10 August 2015
	Exemption from corporate income tax for 5 years from
<b>Thai Paper Co., Ltd.</b>	
Manufacture of glassine paper	11 April 2017
<b>Prepack Thailand Co., Ltd.</b>	
Manufacture of printing	7 March 2016
	Exemption from corporate income tax for 3 years from
<b>Phoenix Pulp &amp; Paper Public Company Limited</b>	
Manufacture of pulp	22 July 2017
Manufacture of hygienic food packaging	22 March 2018
<b>Thai Paper Co., Ltd.</b>	
Manufacture of hygienic food packaging	2 March 2018

Vina Kraft Paper Co., Ltd. also obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 15% of taxable profits for the first 12 years starting from the first year of operation, and exemption from corporate income tax for 3 years from the year that profit is first reported and 50% deduction of the said corporate income tax for 7 years thereafter.

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Vina Kraft Paper Co., Ltd. also 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.

New Asia Industries Co., Ltd. also obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 15% of taxable profits until 2021.

Alcamax Packaging (Vietnam) Co., Ltd. also 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. also 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 also obtained privileges from a government agency in Vietnam to pay income tax for investment of new plant expansion at a reduced rate of 0% of taxable profits in 2020 to 2021 and 10% of taxable profits in 2022 to 2025.

Go-Pak Vietnam Ltd. also 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. also obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 17% of taxable profits from 1 January 2020, and exemption from corporate income tax for 2 years from the year that profit is first reported and 50% deduction of the said corporate income tax for 4 years thereafter.

Duy Tan Binh Duong Plastics Co., Ltd. also 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. also 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, and exemption from corporate income tax for 4 years from the year that profit is first reported and 50% deduction of the said corporate income tax for 9 years thereafter.

As promoted companies, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.



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**26 Basic earnings per share**

The calculations of basic earnings per share for the years ended 31 December was based on the profit for the years attributable to owners of the parent and the weighted average number of ordinary shares outstanding during the years as follows:

	2021	2020
	<i>(in thousand Baht / thousand shares)</i>	
Profit for the year attributable to ordinary shareholders of the Company	8,294,367	6,457,475
Weighted average number of ordinary shares outstanding at 1 January	-	3,126,000
Effect of shares issued on 19 October 2020	-	187,925
Effect of shares issued on 25 November 2020	-	3,281
<b>Weighted average number of ordinary shares outstanding at 31 December</b>	<b>4,292,920</b>	<b>3,317,206</b>
<b>Basic earnings per share <i>(in Baht)</i></b>	<b>1.93</b>	<b>1.95</b>

**27 Dividends**

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in million Baht)</i>
<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>
<b>2020</b>				
Annual dividend 2019	24 March 2020	23 April 2020	0.42	1,313
<b>Total</b>			<b>0.42</b>	<b>1,313</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
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**28 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 for financial instruments measured at fair value. 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.

	Carrying amount			Total	Fair value	
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost		Level 2	Level 3
<i>Balance at 31 December 2021</i>						
<b>Financial assets</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	-
Trade receivables	-	-	22,413,144	22,413,144		
Derivatives assets	52,532	-	-	52,532	52,532	-
Investments in debt instruments						
- Deposit with financial institutions	-	-	19,886	19,886		
- Fund	5,858	-	-	5,858	-	5,858
- Investments in convertible loan	32,500	-	-	32,500	-	32,500
Investments in equity instruments	-	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>Financial liabilities</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	-
Contingent considerations	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	-
<b>Total financial liabilities</b>	<b>3,103,277</b>	<b>-</b>	<b>68,416,280</b>	<b>71,519,557</b>		

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	Carrying amount			Total	Fair value	
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost		Level 2	Level 3
<i>Balance at 31 December 2020</i>						
<b>Financial assets</b>						
Cash and cash equivalents	-	-	31,255,702	31,255,702		
Investments in short-term debt instruments						
- Deposit with financial institutions	-	-	1,629,897	1,629,897		
Trade receivables	-	-	14,412,211	14,412,211		
Derivatives assets	26,830	-	-	26,830	26,830	-
Investment in equity instruments	-	6,152	-	6,152	-	6,152
<b>Total financial assets</b>	<b>26,830</b>	<b>6,152</b>	<b>47,297,810</b>	<b>47,330,792</b>		
<b>Financial liabilities</b>						
Bank overdrafts and short-term borrowings	-	-	15,080,050	15,080,050		
Trade payables	-	-	7,702,501	7,702,501		
Derivatives liabilities	231,648	-	-	231,648	231,648	-
Long-term borrowings	-	-	28,353,807	28,353,807		
Lease liabilities	-	-	1,493,750	1,493,750		
<b>Total financial liabilities</b>	<b>231,648</b>	<b>-</b>	<b>52,630,108</b>	<b>52,861,756</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.

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**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 and debenture 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 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.

**(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.

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**(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.

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 and contract assets 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.

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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 (% per annum)	After 1 year			Total
		Within 1 year	but within 5 years	After 5 years	
<b>Year 2021</b>					
<b>Current</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
Current portion of 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, 4.31 - 8.50	1,865	-	-	1,865
Current portion of lease liabilities	2.05 - 12.12	553	-	-	553
<b>Non-current</b>					
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	-	15,034	1,637	16,671
Lease liabilities	2.05 - 12.12	-	1,624	653	2,277
Debenture	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>
Less: Deferred interest - lease liabilities					(635)
<b>Net</b>					<b>56,771</b>

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	Effective interest rates (% per annum)	After 1 year			Total
		Within 1 year	but within 5 years	After 5 years	
<i>Year 2020</i>					
<b>Current</b>					
Bank overdraft and short-term borrowings	MMR plus (0.60 - 1.15, 2.53) Cost of fund plus (0.55 - 2.00, 5.00) LIBOR plus (0.75 - 1.50) JIBOR plus (0.75 - 1.50) 1.00 - 5.62	15,080	-	-	15,080
Current portion of long-term borrowings	MLR minus (2.00 - 2.75) Cost of fund plus (0.65, 1.75) LIBOR plus (1.25 - 1.75) VNIBOR plus 0.50 JIBOR plus 1.15 2.00 - 3.00, 10.90	16,302	-	-	16,302
Current portion of lease liabilities	1.81 - 15.00	470	-	-	470
<b>Non-current</b>					
Long-term borrowings	MLR minus (2.00 - 2.75) Cost of fund plus (0.60 - 0.65, 1.75) LIBOR plus (1.25 - 1.75) VNIBOR plus 0.50 JIBOR plus 1.15 2.25, 4.90, 10.90	-	10,456	1,596	12,052
Lease liabilities	1.81 - 15.00	-	782	725	1,507
<b>Total</b>		<b>31,852</b>	<b>11,238</b>	<b>2,321</b>	<b>45,411</b>
<i>Less</i> Deferred interest - lease liabilities					(483)
<b>Net</b>					<b>44,928</b>

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**(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) 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 reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group has significant foreign currency risk from foreign currency assets and liabilities are as follows:

	2021	2020
	U.S. Dollar	
	<i>(in thousand Baht)</i>	
Trade and other receivables	3,284,103	848,035
Interest-bearing liabilities	(5,995,707)	(5,590,005)
Trade and other payables	(3,254,835)	(2,413,822)
<b>Net statement of financial position exposure</b>	<b>(5,966,439)</b>	<b>(7,155,792)</b>
Forward exchange selling contracts	(1,911,401)	(1,612,977)
Forward exchange purchase contracts	4,135,782	2,900,556
<b>Net exposure</b>	<b>(3,742,058)</b>	<b>(5,868,213)</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 loans of U.S. Dollar 63 million or equivalent to approximately Baht 2,110 million, whereby exchanging currency from U.S. Dollar to functional currency. These contracts will be due within January 2027.



**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*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.

<b><i>Impact to profit or loss</i></b>	<b>Movement</b>	<b>Strengthening</b>	<b>Weakening</b>
	<b>(%)</b>	<b>(in thousand Baht)</b>	
<b>2021</b>			
U.S. Dollar	1	(37,236)	37,236
<b>2020</b>			
U.S. Dollar	1	(57,053)	57,053

(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 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.

<b><i>Exposure to interest rate risk at 31 December</i></b>	<b>2021</b>	<b>2020</b>
	<b>(in thousand Baht)</b>	
<b><i>Financial instruments with variable interest rates</i></b>		
Financial assets	2,312	2,089
Financial liabilities	(37,314,551)	(23,391,718)
<b>Net statement of financial position exposure</b>	<b>(37,312,239)</b>	<b>(23,389,629)</b>
Interest rate swap contracts	2,109,739	2,259,727
<b>Net exposure</b>	<b>(35,202,500)</b>	<b>(21,129,902)</b>

A subsidiary has entered into interest rate swap contracts with a foreign bank to hedge against the risk of interest on long-term loans of U.S. Dollar 63 million or equivalent to approximately Baht 2,110 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.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*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.

	Profit or loss	
	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
<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>
<b>2020</b>		
Financial instruments		
with variable interest rate	(225,840)	225,840
Interest rate swaps contracts	22,597	(22,597)
<b>Cash flow sensitivity (net)</b>	<b>(203,243)</b>	<b>203,243</b>

**29 Commitments and contingent liabilities**

As at 31 December, the Group had:

- (a) The purchase and installation of land machinery and equipment of Baht 2,766 million (2020: Baht 2,909 million).
- (b) The purchase of inventories, raw materials and others of Baht 3,963 million (2020: Baht 1,569 million).
- (c) Contingent liability for letter of guarantees issued by local banks for the Group to government organizations of Baht 68 million (2020: Baht 81 million).
- (d) Contingent liability for borrowings guarantees issued by a local bank for the Group to associate which limit is not exceed Baht 132 million (2020: Baht 198 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 commencement date in December 2034.

**SCG Packaging Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

- (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 commencement date in August 2037.

**30 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.

**31 Events after the reporting period**

On 25 January 2022, 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 2021 at the rate of Baht 0.65 per share, totaling approximately Baht 2,790 million. An interim dividend of Baht 0.25 per share was paid on 25 August 2021, as disclosed in note 27. The final dividend will be at the rate of Baht 0.40 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 1,717 million and is scheduled for payment on 25 April 2022. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 29 March 2022.

**32 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective**

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2022 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 financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.



KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa  
Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิภาคไทย สอบบัญชี จำกัด  
ชั้น 50 เอ็มไพร์ทาวเวอร์  
1 ถนนสาทรใต้ แขวงยานนาวา  
เขตสาทร กรุงเทพฯ 10120  
โทร +66 2677 2000  
แฟกซ์ +66 2677 2222  
เว็บไซต์ home.kpmg/th

## 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 2021, 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 2021, 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 issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the 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 2, 3(h), 6 and 7 to the financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The management assessed the indicator of impairment requiring impairment testing of investments in associates and subsidiaries. The management focused on the business which performance was consistently below expectations. The impairment testing of investments in associates and subsidiaries is considered to be a key risk area due to the fact that it involves significant judgment by management to identify whether there is any indication of impairment and to consider the recoverable amount. Judgmental aspects include estimates and assumptions in respect of the forecasting of future cash flows along with 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 focused on assessing the reasonableness of impairment indicators of investment in associates and subsidiaries and the key assumptions which underpinned the management's forecast.</p> <p>I evaluated the appropriateness of identification of the CGU by management and valuation methodology, reasonableness of impairment indicator with reference to current market situations and operating environment, industry knowledge, and other information obtained during the audit.</p> <p>I tested significant assumptions which supported discounted cash flows projection by comparing the key assumptions with internal and external sources of information, appropriateness of the valuation methodology, discount rate and sensitivity analysis to determine the effect of changes in the significant assumptions by management concerning recent performance, trend analysis, and tested the mathematical accuracy of the recoverable amount and impairment calculations. Moreover, I evaluated the reasonableness of the forecasting of financial performances by comparing historical forecasts to the actual operating results.</p> <p>I also considered the adequacy of the Company's disclosures in accordance with the financial reporting standard.</p>

*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, related safeguards.

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

(Thanyalux Keadkeaw)  
Certified Public Accountant  
Registration No. 8179

KPMG Phoomchai Audit Ltd.  
Bangkok  
14 February 2022

# SCG Packaging Public Company Limited

## Statement of financial position

As at 31 December 2021

Assets	Note	2021	2020
<i>(in thousand Baht)</i>			
<b>Current assets</b>			
Cash and cash equivalents		331,908	25,127,640
Investments in short-term debt instrument	23	12,106,320	-
Other current receivables	4, 5	562,317	329,043
Short-term loans to related parties	4	43,384,481	32,492,002
Other current assets		93,869	79,580
<b>Total current assets</b>		<b>56,478,895</b>	<b>58,028,265</b>
<b>Non-current assets</b>			
Investments in associates	6	350,121	350,121
Investments in subsidiaries	7	40,577,172	34,447,438
Investment property	8	302,773	306,886
Property, plant and equipment	9	344,752	324,220
Intangible assets	11	166,645	60,510
Deferred tax assets	12	100,021	75,006
Other non-current assets		56,996	66,814
<b>Total non-current assets</b>		<b>41,898,480</b>	<b>35,630,995</b>
<b>Total assets</b>		<b>98,377,375</b>	<b>93,659,260</b>

For and on behalf of the Board of Directors



(Mr. Prasarn Trairatvorakul)

Chairman



(Mr. Wichan Jitpukdee)

Chief Executive Officer



# SCG Packaging Public Company Limited

## Statement of financial position

As at 31 December 2021

Liabilities and shareholders' equity	Note	2021	2020
<i>(in thousand Baht)</i>			
<b><i>Current liabilities</i></b>			
Short-term borrowings from financial institutions	14	16,380,000	7,700,000
Other current payables	4, 13	221,518	285,570
Current portion of long-term borrowings			
from financial institutions	14	-	14,998,088
Current portion of lease liabilities	4, 14	53,113	37,119
Short-term borrowings from related parties	4, 14	118,073	700,035
Other current liabilities		27,686	19,359
<b>Total current liabilities</b>		<b>16,800,390</b>	<b>23,740,171</b>
<b><i>Non-current liabilities</i></b>			
Long-term borrowings from financial institutions	14	9,989,467	4,995,304
Lease liabilities	4, 14	112,021	98,278
Debenture	14	5,493,051	-
Non-current provisions for employee benefits	15	524,818	381,643
Other non-current liabilities		11,392	11,040
<b>Total non-current liabilities</b>		<b>16,130,749</b>	<b>5,486,265</b>
<b>Total liabilities</b>		<b>32,931,139</b>	<b>29,226,436</b>

# SCG Packaging Public Company Limited

## Statement of financial position

As at 31 December 2021

<b>Liabilities and shareholders' equity</b>	<i>Note</i>	2021	2020
<i>(in thousand Baht)</i>			
<b>Shareholders' equity</b>			
Share capital	16		
<i>Authorized share capital</i>			
- Ordinary share		<u>4,500,000</u>	<u>4,500,000</u>
<i>Issued and paid share capital</i>			
- Ordinary share		4,292,920	4,292,920
Share premium	16	40,860,245	40,860,245
Retained earnings			
<i>Appropriated</i>			
Legal reserve	17	450,000	337,700
General reserve		3,000	3,000
<i>Unappropriated</i>			
		<u>19,840,071</u>	<u>18,938,959</u>
<b>Total shareholders' equity</b>		<u><b>65,446,236</b></u>	<u><b>64,432,824</b></u>
<b>Total liabilities and shareholders' equity</b>		<u><b>98,377,375</b></u>	<u><b>93,659,260</b></u>

# SCG Packaging Public Company Limited

## Income statement

For the year ended 31 December 2021

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
Dividend income	4, 6, 7	3,526,312	2,407,522
Service income	4	2,003,690	1,746,785
Interest income	4	805,762	785,509
Other income	4	489,180	57,401
<b>Total revenues</b>		<b>6,824,944</b>	<b>4,997,217</b>
Administrative expenses	4, 18	(2,351,351)	(1,807,798)
<b>Profit from operations</b>		<b>4,473,593</b>	<b>3,189,419</b>
Finance costs	4	(490,091)	(818,922)
<b>Profit before income tax</b>		<b>3,983,502</b>	<b>2,370,497</b>
Tax income	20	26,993	10,268
<b>Profit for the year</b>		<b>4,010,495</b>	<b>2,380,765</b>
<b>Basic earning per share (in Baht)</b>	21	<b>0.93</b>	<b>0.72</b>

# SCG Packaging Public Company Limited

## Statement of comprehensive income

For the year ended 31 December 2021

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
<b>Profit for the year</b>		<b>4,010,495</b>	<b>2,380,765</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	8,980	(35,478)
Income tax relating to items that will not be reclassified subsequently to profit or loss	20	<u>(1,978)</u>	<u>7,069</u>
<b>Other comprehensive income for the year, net of tax</b>		<b><u>7,002</u></b>	<b><u>(28,409)</u></b>
<b>Total comprehensive income for the year</b>		<b><u>4,017,497</u></b>	<b><u>2,352,356</u></b>

**SCG Packaging Public Company Limited**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2021**

	Note	Issued and paid share capital	Share premium	Retained earnings			Total shareholders' equity
				Appropriated		Unappropriated	
				Legal reserve	General reserve		
<b>Balance at 1 January 2020</b>		<b>3,126,000</b>	<b>1,935,000</b>	<b>218,600</b>	<b>3,000</b>	<b>18,018,623</b>	<b>23,301,223</b>
<b>Transactions with owners, recorded directly in shareholders' equity</b>							
<b>Contributions by and distributions to owners of the Company</b>							
Issuance of ordinary shares	16	1,166,920	38,925,245	-	-	-	40,092,165
Dividends	22	-	-	-	-	(1,312,920)	(1,312,920)
<b>Total contributions by and distributions to owners of the Company</b>		<b>1,166,920</b>	<b>38,925,245</b>	<b>-</b>	<b>-</b>	<b>(1,312,920)</b>	<b>38,779,245</b>
<b>Total transactions with owners, recorded directly in shareholders' equity</b>							
<b>Comprehensive income for the year</b>							
Profit or loss		-	-	-	-	2,380,765	2,380,765
Other comprehensive income		-	-	-	-	(28,409)	(28,409)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,352,356</b>	<b>2,352,356</b>
Transfer to legal reserve		-	-	119,100	-	(119,100)	-
<b>Balance at 31 December 2020</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>

The accompanying notes are an integral part of these financial statements.

**SCG Packaging Public Company Limited**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2021**

	Note	Issued and paid share capital	Share premium	Retained earnings			Total shareholders' equity
				Appropriated		Unappropriated	
				Legal reserve	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>
Transactions with owners, recorded directly in shareholders' equity							
<i>Contributions by and distributions to owners of the Company</i>							
Dividends	22	-	-	-	-	(3,004,085)	(3,004,085)
<i>Total contributions by and distributions to owners of the Company</i>						<b>(3,004,085)</b>	<b>(3,004,085)</b>
Total transactions with owners, recorded directly in shareholders' equity						<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		-	-	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>

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 2021

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>		
Profit for the year	4,010,495	2,380,765
<b><i>Adjustments for</i></b>		
Tax income	(26,993)	(10,268)
Depreciation and amortization	82,088	80,355
Non-current provisions for employee benefit expense	174,455	77,225
Loss (gain) on foreign currency exchange	(134,611)	3
Gain on measured at fair value	(106,343)	(6)
Dividend income	(3,526,312)	(2,407,522)
Interest income	(805,762)	(785,509)
Interest expense and others	490,968	818,922
<b>Cash flows generated from operations</b>		
<b>before changes in operating assets and liabilities</b>	<b>157,985</b>	<b>153,965</b>
<b><i>Decrease (increase) in operating assets</i></b>		
Other current receivables	(207,177)	(120,083)
Other assets	7,837	74,091
<b>Net increase in operating assets</b>	<b>(199,340)</b>	<b>(45,992)</b>
<b><i>Increase (decrease) in operating liabilities</i></b>		
Other current payables	(88,931)	56,902
Non-current provisions for employee benefits	(22,301)	(26,567)
Other liabilities	8,675	2,803
<b>Net increase (decrease) in operating liabilities</b>	<b>(102,557)</b>	<b>33,138</b>
<b>Net cash flows generated from (used in) operations</b>	<b>(143,912)</b>	<b>141,111</b>
Income tax paid	(12,281)	(17,409)
<b>Net cash flows provided by (used in) operating activities</b>	<b>(156,193)</b>	<b>123,702</b>

# SCG Packaging Public Company Limited

## Statement of cash flows

For the year ended 31 December 2021

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from investing activities</i></b>			
Payments of investments in subsidiaries		(6,129,734)	-
Acquisition of debt instruments of the others		(12,000,000)	-
Acquisition of property, plant and equipment		(17,757)	(15,224)
Acquisition of intangible assets		(115,921)	(40,153)
Proceeds from repayment of (cash payments for)			
short-term loans to related parties		(10,758,038)	1,458,893
Dividends received		3,526,312	2,407,522
Interest received		779,855	797,728
<b>Net cash flows provided by (used in) investing activities</b>		<b><u>(24,715,283)</u></b>	<b><u>4,608,766</u></b>
<b><i>Cash flows from financing activities</i></b>			
Proceeds from issue of shares	16	-	40,092,165
<b><i>Proceeds from (payments of) borrowings</i></b>			
Proceeds from short-term borrowings from financial institutions		8,680,000	7,700,000
Payments of short-term borrowings from related parties		(581,962)	(33,206,998)
Proceeds from long-term borrowings from financial institutions		5,000,000	8,000,000
Payments of long-term borrowings from financial institutions		(15,000,000)	-
Payments of lease liabilities		(40,353)	(37,459)
Proceeds from issuance of debenture		5,500,000	-
<b>Net increase (decrease) in borrowings</b>		<b><u>3,557,685</u></b>	<b><u>(17,544,457)</u></b>
Dividends paid		(3,004,085)	(1,312,920)
Interest and other finance costs paid		(477,856)	(848,196)
<b>Net cash flows provide by financing activities</b>		<b><u>75,744</u></b>	<b><u>20,386,592</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b><u>(24,795,732)</u></b>	<b><u>25,119,060</u></b>
Cash and cash equivalents at the beginning of the year		<u>25,127,640</u>	<u>8,580</u>
<b>Cash and cash equivalents at the end of the year</b>		<b><u><u>331,908</u></u></b>	<b><u><u>25,127,640</u></u></b>
<b><i>Supplementary information for cash flows</i></b>			
<b>Non-cash transactions at the end of the year</b>			
Account payables from purchase of assets		5,713	3,964



# SCG Packaging Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

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# SCG Packaging Public Company Limited

## Notes to the financial statements

### For the year ended 31 December 2021

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 2022.

## 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

### (a) *Statement of compliance*

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.

### (b) *Functional and presentation currency*

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.

### (c) *Use of estimates and judgments*

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 are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**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 a maturity of three months or less from the date of acquisition and are readily convertible to known amounts of cash that 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 ECLs rate. 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 reporting date.

**(c) Investments subsidiaries and associates**

Investments in associates and subsidiaries in the financial statements are accounted for using the cost method less any accumulated impairment losses.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method.

**(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, for capital appreciation or for 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

## Notes to the financial statements

For the year ended 31 December 2021

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 charged on freehold land and construction in progress.

The estimated useful lives are as follows:

Right-of-use and land improvements	3, 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 and 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**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an 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, 10, 20	years
Machinery and equipment	5, 10, 15, 20	years
Transportation equipment	5, 10	years
Furniture, fixtures and office equipment	3, 5, 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.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

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, 5, 10, 20 years
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Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

**(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 expense on a straight-line basis over the lease term.

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 of right-of-use asset 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.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

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.

**(h) 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 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.

*Calculation of 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.

*Reversal of impairment*

Impairment losses of assets 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.

**(i) Other payables**

Other payables are stated at amortized cost.

**(j) 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 2021**

*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 obligations is discounted to the present value, which performed annually by a qualified actuary.

Remeasurements of the net defined benefit liability, actuarial gain or loss 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 when 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 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 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.

**(k) 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 2021**

**(l) 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 throughout the royalty period.

*Rental income*

Rental income is recognized in profit or loss on a straight-line basis over the term of the rent. Lease incentives granted are recognized as expenses in which they are incurred.

*Dividend income*

Dividend income is recognized in profit or loss on the date the Company's right to receive payments is established.

*(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 trade receivables when the Company issues an invoice.

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.

**(m) 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 2021**

*Early retirement expenses*

The Company offered 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.

**(n) 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 they relate 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 reporting date, 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 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 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 assets and liabilities 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 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.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**(o) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies in the Company at the foreign 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 that date.

Non-monetary assets and liabilities arising from the payment or receipt of advance consideration measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

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 and the effective portion of cash flow hedges are recognized in other comprehensive income.

**(p) Financial instruments**

*Classification and measurement*

Debt securities that the Company issued 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).

An equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

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 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 also recognized in profit or loss.

# SCG Packaging Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

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 which 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

### *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.

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*

Derivative 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 Company recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, debt investments measured at FVOCI and lease receivables.

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.

# SCG Packaging Public Company Limited

## Notes to the financial statements

### For the year ended 31 December 2021

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 to actions such as realising 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 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.

#### *Interest*

Interest income and expense are recognized 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.

#### **(g) Fair value measurement**

Fair value is the price that would be received from selling 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.

## **SCG Packaging Public Company Limited**

### **Notes to the financial statements**

**For the year ended 31 December 2021**

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.

#### **(r) *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 under the same significant influence as the Company.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**4 Related parties**

Relationships with related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
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. (Formerly SKIC International Company Limited)	Thailand	Subsidiary, direct 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
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 Rungsris 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
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
AP Packaging (Hanoi) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest

**SCG Packaging Public Company Limited**  
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<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
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
CLF 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
Go-Pak UK Limited	England	Subsidiary, indirect ownership interest
TCG Rengo (S) Limited **	Singapore	Subsidiary, indirect 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 Dirtajaya 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
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
P&S Holdings Corporation	Philippines	Associate, direct ownership interest
Sahagreen Forest Co., Ltd.	Thailand	Associate, indirect ownership interest
Siam Nippon Industrial Paper Co., Ltd.	Thailand	Associate, indirect ownership interest
SCG Legal Counsel Limited	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

\* 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**  
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Significant transactions with related parties for the years ended 31 December and the pricing policies are summarized as follows:

	2021	2020	Pricing Policies
	<i>(in thousand Baht)</i>		
<b><i>Parent</i></b>			
Service expense	182,185	174,880	Cost plus method
Interest expense	-	254,467	Contract rate
<b><i>Subsidiaries</i></b>			
Rental income	33,191	30,319	Contract rate
Intellectual property income	163,911	6,520	Percentage of net sales
Service charges income	1,994,521	1,736,803	Cost plus method
Dividend income	3,517,614	2,404,532	Upon declaration
Interest income	777,126	753,978	Contract rate
Interest expense	2,878	1,270	Contract rate
<b><i>Associates</i></b>			
Dividend income	8,698	2,990	Upon declaration

Balances as at 31 December with related parties were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Other current receivables</i></b>		
Parent	4,172	4,378
Subsidiaries	513,485	197,267
Associates	325	711
Others	3,395	331
<b>Total</b>	<b><u>521,377</u></b>	<b><u>202,687</u></b>
<b><i>Short-term loans</i></b>		
Subsidiaries	<b><u>43,384,481</u></b>	<b><u>32,492,002</u></b>
<b><i>Short-term loans to related parties</i></b>		
At 1 January	32,492,002	33,950,895
Increase	13,280,052	4,696,765
Decrease	(2,387,573)	(6,155,658)
<b>At 31 December</b>	<b><u>43,384,481</u></b>	<b><u>32,492,002</u></b>
<b><i>Other non-current assets</i></b>		
Parent	<b><u>8,899</u></b>	<b><u>11,474</u></b>

**SCG Packaging Public Company Limited**  
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	2021	2020
	<i>(in thousand Baht)</i>	
<i>Other current payables</i>		
Parent	20,501	17,112
Subsidiaries	5,743	10,846
Others	10,414	5,586
<b>Total</b>	<b>36,658</b>	<b>33,544</b>
 <i>Short-term borrowings</i>		
Subsidiaries	<b>118,073</b>	<b>700,035</b>
 <i>Short-term borrowings from related parties</i>		
At 1 January	700,035	33,907,033
Increase	3,480,290	680,799
Decrease	(4,062,252)	(33,887,797)
<b>At 31 December</b>	<b>118,073</b>	<b>700,035</b>
 <i>Lease Liabilities</i>		
<i>Current and non-current portion</i>		
At 1 January		
Parent	78,922	48,075
Subsidiaries	17,953	18,762
<b>Total</b>	<b>96,875</b>	<b>66,837</b>

***The Board of Directors and key management compensation***

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>For the years ended 31 December</i></b>		
Short-term employee benefits	100,576	82,814
Post-employment benefits	8,108	6,820
<b>Total</b>	<b>108,684</b>	<b>89,634</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**  
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**5 Other current receivables**

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
Related parties	4	521,377	202,687
Other parties		40,940	126,356
<b>Total</b>		<b><u>562,317</u></b>	<b><u>329,043</u></b>

Other current receivables as at 31 December were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
Accrued service income	471,463	289,592
Accrued interest income	42,799	16,893
Others	48,055	22,558
<b>Total</b>	<b><u>562,317</u></b>	<b><u>329,043</u></b>

**SCG Packaging Public Company Limited**  
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**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	
	2021	2020	2021	2020	2021	2020	2021	2020
	(%)				<i>(in thousand Baht)</i>			
Siam Toppan Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	8,698	2,990
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>8,698</b>	<b>2,990</b>

**SCG Packaging Public Company Limited**  
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**7 Investments in subsidiaries**

Movements for the years ended 31 December in investments in subsidiaries accounted for using the cost method were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
<b>At 1 January</b>	<b>34,447,438</b>	<b>34,447,438</b>
Acquisitions and additional investments	6,129,734	-
<b>At 31 December</b>	<b><u>40,577,172</u></b>	<b><u>34,447,438</u></b>

In October 2020, United Pulp Paper Co., Inc. (“UPPC”) completed the registration of the capital increase with the authorities. The Company’s equity share in UPPC will decrease from 77.33% to 57.99% in the fourth quarter of 2020. UPPC will remain an investment in subsidiary of the Company.

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 Ministry Commerce on 28 May 2021.

In June 2021, the Company purchased all shares held in International Healthcare Packaging Co., Ltd. (formerly SKIC International Company Limited) 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 Ministry Commerce on 21 September 2021.

## SCG Packaging Public Company Limited

### Notes to the financial statements

#### For the year ended 31 December 2021

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		Net		Dividend income	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	2021		2020		2021		2020		2021		2020	
	(%)						(in thousand Baht)					
Phoenix Pulp & Paper Public Company Limited	69.58	69.58	2,462,812	2,462,812	13,439,561	13,439,561	-	-	13,439,561	13,439,561	68,548	68,548
Thai Cane Paper Public Company Limited	98.20	98.20	3,582,537	3,582,537	5,007,375	5,007,375	-	-	5,007,375	5,007,375	1,407,165	1,407,165
SCGP Rigid Plastics Company Limited	100	100	4,403,200	4,403,200	4,403,200	4,403,200	-	-	4,403,200	4,403,200	-	-
Siam Kraft Industry Co., Ltd.	100	100	3,450,000	3,450,000	3,982,680	3,982,680	-	-	3,982,680	3,982,680	1,897,500	759,000
International Healthcare Packaging Co., Ltd. (Formerly SKIC International Company Limited)	100	-	3,361,000	-	3,360,834	-	-	-	3,360,834	-	-	-
United Pulp and Paper Co., Inc.	57.99	57.99	5,567,661	5,567,661	2,963,899	2,963,899	-	-	2,963,899	2,963,899	-	-
SCGP Rigid Packaging Solutions Pte.Ltd.	100	-	2,732,400	-	2,732,400	-	-	-	2,732,400	-	-	-
SCGP Solutions (Singapore) Pte. Ltd.	10.29	10.29	21,735,991	21,735,991	2,324,941	2,324,941	-	-	2,324,941	2,324,941	-	-
Thai Containers Group Co., Ltd.	70	70	1,384,000	1,384,000	1,013,805	1,013,805	-	-	1,013,805	1,013,805	139,991	145,320
SCG Paper Energy Co., Ltd.	100	100	890,000	890,000	890,000	890,000	-	-	890,000	890,000	-	-
SCGP-T Plastics Co., Ltd.	51	51	385,900	385,900	196,812	196,812	-	-	196,812	196,812	-	-
SCGP Solutions Co., Ltd.	100	100	170,000	170,000	170,000	170,000	-	-	170,000	170,000	-	-
SCGP Excellence Training Center Co., Ltd.	100	100	49,000	49,000	49,000	49,000	-	-	49,000	49,000	4,410	24,499
Invenique Co., Ltd.	100	100	106,700	70,200	106,700	70,200	64,035	64,035	42,665	6,165	-	-
<b>Total</b>			<b>50,281,201</b>	<b>44,151,301</b>	<b>40,641,207</b>	<b>34,511,473</b>	<b>64,035</b>	<b>64,035</b>	<b>40,577,172</b>	<b>34,447,438</b>	<b>3,517,614</b>	<b>2,404,532</b>

**SCG Packaging Public Company Limited**  
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**8 Investment property**

	Land	Right-of-use and land improvements <i>(in thousand Baht)</i>	Buildings	Total
<i>Cost</i>				
<b>At 1 January 2020 and 31 December 2020</b>	<b>277,933</b>	<b>39,423</b>	<b>36,993</b>	<b>354,349</b>
<b>At 31 December 2021</b>	<b>277,933</b>	<b>39,423</b>	<b>36,993</b>	<b>354,349</b>
<i>Accumulated depreciation</i>				
At 1 January 2020	-	26,147	17,198	43,345
Depreciation charge for the year	-	2,279	1,839	4,118
<b>At 31 December 2020</b>	<b>-</b>	<b>28,426</b>	<b>19,037</b>	<b>47,463</b>
Depreciation charge for the year	-	2,274	1,839	4,113
<b>At 31 December 2021</b>	<b>-</b>	<b>30,700</b>	<b>20,876</b>	<b>51,576</b>
<i>Carrying amount</i>				
<b>At 31 December 2020</b>	<b>277,933</b>	<b>10,997</b>	<b>17,956</b>	<b>306,886</b>
<b>At 31 December 2021</b>	<b>277,933</b>	<b>8,723</b>	<b>16,117</b>	<b>302,773</b>

The Company determined fair value of investment properties as at 31 December 2021 at open market values on an existing use basis. The fair value was Baht 377 million (2020: Baht 341 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**  
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**9 Property, plant and equipment**

	Land and land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
<i>Cost</i>							
At 1 January 2020	62,228	175,434	352,175	38,912	51,890	14,062	694,701
Additions	-	2,134	4,870	45,780	17,729	11,219	81,732
Disposals	-	-	(2,291)	(7,647)	(164)	-	(10,102)
Transfers in (out)	-	218	2,684	-	127	(2,553)	476
<b>At 31 December 2020</b>	<b>62,228</b>	<b>177,786</b>	<b>357,438</b>	<b>77,045</b>	<b>69,582</b>	<b>22,728</b>	<b>766,807</b>
Additions	-	45,612	1,173	32,180	4,871	19,098	102,934
Disposals	-	-	-	(22,429)	-	-	(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>
<i>Accumulated depreciation</i>							
At 1 January 2020	11,871	83,582	237,475	560	47,213	-	380,701
Depreciation charge for the year	973	13,005	24,129	24,283	4,570	-	66,960
Disposals	-	-	(2,291)	(2,619)	(164)	-	(5,074)
<b>At 31 December 2020</b>	<b>12,844</b>	<b>96,587</b>	<b>259,313</b>	<b>22,224</b>	<b>51,619</b>	<b>-</b>	<b>442,587</b>
Depreciation charge for the year	969	18,679	20,502	22,028	5,842	-	68,020
Disposals	-	-	-	(10,105)	-	-	(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>



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	Land and land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
<i>Carrying amount</i>							
<b>At 31 December 2020</b>							
Owned assets	31,301	44,919	98,125	314	3,445	22,728	200,832
Right-of-use-assets	18,083	36,280	-	54,507	14,518	-	123,388
	<b>49,384</b>	<b>81,199</b>	<b>98,125</b>	<b>54,821</b>	<b>17,963</b>	<b>22,728</b>	<b>324,220</b>
<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>344,752</b>

In 2021, the right-of-use assets of the Company has increased amounting to Baht 82 million. (2020: Baht 64 million)

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**10 Lease**

The Company leases land, buildings, transportation and office equipment. The rental due and rate are as specified in the contract.

<i>For the year ended 31 December</i>	2021	2020
	<i>(in thousand Baht)</i>	
<b>Amounts recognized in profit or loss</b>		
Depreciation of right-of-use assets:		
- Land and land improvements	951	954
- Buildings and structures	14,702	9,143
- Transportation	21,932	24,188
- Furniture, fixtures and office equipment	4,480	2,373
Interest on lease liabilities	3,865	3,702
Expenses relating to short-term leases	327	513
Expenses relating to leases of low-value assets	11,718	10,905

**11 Intangible assets**

	Software licenses and others	Software licenses development cost	Total
	<i>(in thousand Baht)</i>		
<b>Cost</b>			
At 1 January 2020	91,735	9,712	101,447
Additions	2,951	37,203	40,154
Transfer in (out)	6,715	(7,191)	(476)
<b>At 31 December 2020</b>	<b>101,401</b>	<b>39,724</b>	<b>141,125</b>
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>
<b>Accumulated amortization</b>			
At 1 January 2020	70,824	-	70,824
Amortization charge for the year	9,791	-	9,791
<b>At 31 December 2020</b>	<b>80,615</b>	<b>-</b>	<b>80,615</b>
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>
<b>Carrying amount</b>			
<b>At 31 December 2020</b>	<b>20,786</b>	<b>39,724</b>	<b>60,510</b>
<b>At 31 December 2021</b>	<b>30,271</b>	<b>136,374</b>	<b>166,645</b>

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**12 Deferred tax asset (deferred tax liabilities)**

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax asset and liability, 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:

	2021	2020
	<i>(in thousand Baht)</i>	
Deferred tax asset	104,963	76,328
Deferred tax liabilities	(4,942)	(1,322)
<b>Net</b>	<b>100,021</b>	<b>75,006</b>

Movements in total deferred tax asset and liability during the years were as follows:

	At 1 January 2020	Credited (charged) to other profit or loss comprehensive income <i>(Note 20)</i> <i>(in thousand Baht)</i>		At 31 December 2020
<b><i>Deferred tax asset</i></b>				
Provisions for employee benefits	<b>59,101</b>	<b>10,158</b>	<b>7,069</b>	<b>76,328</b>
<b><i>Deferred tax liabilities</i></b>				
Unrealized gain on foreign currency exchange	(2)	2	-	-
Other liabilities-amortized cost	-	(1,321)	-	(1,321)
Derivative assets	-	(1)	-	(1)
<b>Total</b>	<b>(2)</b>	<b>(1,320)</b>	<b>-</b>	<b>(1,322)</b>
<b>Net</b>	<b>59,099</b>	<b>8,838</b>	<b>7,069</b>	<b>75,006</b>

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	At 1 January 2021	Credited (charged) to other profit or loss comprehensive income (Note 20) (in thousand Baht)		At 31 December 2021
<b><i>Deferred tax asset</i></b>				
Provisions for employee benefits	<b>76,328</b>	<b>30,613</b>	<b>(1,978)</b>	<b>104,963</b>
<b><i>Deferred tax liabilities</i></b>				
Other liabilities-amortized cost	(1,321)	(2,175)	-	(3,496)
Derivative assets	(1)	(6)	-	(7)
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>

The deductible temporary differences and unused tax losses that the Company have not recognized as deferred tax assets are as the following items:

	2021	2020
	(in thousand Baht)	
Temporary differences		
- Other current receivables	16,963	16,963
- Investment in subsidiary	64,035	64,035
- Others	34,036	20,882
Unused tax losses	543,409	1,020,077
<b>Total</b>	<b>658,443</b>	<b>1,121,957</b>

The unused tax losses on which the Company has not recognized deferred tax assets are the tax losses which do not expire under tax legislation and would be expired within 2025.

**13 Other current payables**

	2021	2020
	(in thousand Baht)	
Withholding tax payable	79,779	60,699
Accrued expenses	40,592	152,407
Accrued interest	39,580	16,471
Value added tax payable	7,330	844
Account payables from purchases of assets	5,713	3,964
Others	48,524	51,185
<b>Total</b>	<b>221,518</b>	<b>285,570</b>

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**14 Interest-bearing liabilities**

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Current</i></b>		
- Unsecured		
Short-term borrowings from financial institutions	16,380,000	7,700,000
Current portion of long-term borrowings	-	14,998,088
Current portion of lease liabilities	53,113	37,119
Short-term borrowing from relates parties	118,073	700,035
	<b><u>16,551,186</u></b>	<b><u>23,435,242</u></b>
<b><i>Non-current</i></b>		
- Unsecured		
Long-term borrowings from financial institutions	9,989,467	4,995,304
Lease liabilities	112,021	98,278
Debenture	5,493,051	-
	<b><u>15,594,539</u></b>	<b><u>5,093,582</u></b>
<b>Total</b>	<b><u>32,145,725</u></b>	<b><u>28,528,824</u></b>

On 1 April 2021, the Company issued debenture No.1/2021 amounting to Baht 5,500 million. Term of the debenture is 3 years and 8 months with fixed interest rate of 2.65% per annum. The debenture will be due in 2024.

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 (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 2021, short-term borrowings from financial institutions of the Company has an average interest rate from 0.58% to 0.67% per annum (2020: 0.60% to 0.66% per annum).

As at 31 December 2021, long-term borrowings from financial institutions of the Company has an average interest rate from 1.75% to 2.25% per annum (2020: 2.25% to 2.50% per annum). These agreements will be due within September 2025.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
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**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*

	2021	2020
	<i>(in thousand Baht)</i>	
Post-employment benefits - legal severance payments plan	508,434	371,554
Other long-term employee benefits	16,384	10,089
<b>Total</b>	<b><u>524,818</u></b>	<b><u>381,643</u></b>

*Movements in the present value of non-current provisions for defined benefit plans*

	2021	2020
	<i>(in thousand Baht)</i>	
Non-current provisions for defined benefit plans at 1 January	381,643	295,507
<b>Included in profit or loss</b>		
Current service costs	25,427	16,915
Interest on obligation	7,182	5,520
Actuarial losses	909	3,259
Transfer of non-current provisions for employee benefits	140,938	51,531
	<b><u>174,456</u></b>	<b><u>77,225</u></b>
<b>Included in other comprehensive income</b>		
Actuarial losses (gains)	(8,980)	35,478
<b>Others</b>		
Benefits paid	(22,301)	(26,567)
<b>Non-current provisions for defined benefit plans at 31 December</b>	<b><u>524,818</u></b>	<b><u>381,643</u></b>

**SCG Packaging Public Company Limited**  
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Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>For the years ended 31 December</i></b>		
Demographic assumptions	28,735	21,155
Financial assumptions	(41,976)	3,237
Experience adjustment	4,261	11,086
<b>Total</b>	<b><u>(8,980)</u></b>	<b><u>35,478</u></b>

***Actuarial assumptions***

*Principal actuarial assumptions as of the end of the reporting period*

	2021	2020
	(%)	
Discount rate *	2.06 - 2.15	1.43 - 1.49
Salary increase rate	1.00 - 7.46	3.00 - 8.00
Employee turnover rate **	3.00 - 8.00	3.50 - 9.00
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 2021, the Company has the weighted-average duration for payment of long-term employee benefits approximately 15 years.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
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*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)	
	2021	2020
	<i>(in thousand Baht)</i>	
Discount rate		
0.5% increase	(28,568)	(21,662)
0.5% decrease	31,057	23,565
Salary increase rate		
1.0% increase	59,973	44,076
1.0% decrease	(52,031)	(38,300)
Employee turnover rate		
10.0% increase	(17,868)	(15,285)
10.0% decrease	18,730	16,133

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.

**16 Share capital**

	Par Value <i>(in Baht)</i>	2021		2020	
		Number of shares	Value <i>(in thousand shares / thousand Baht)</i>	Number of shares	Value
<i>Authorized</i>					
At 1 January					
- ordinary shares	1	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
<b>At 31 December</b>					
<b>- ordinary shares</b>	<b>1</b>	<b><u>4,500,000</u></b>	<b><u>4,500,000</u></b>	<b><u>4,500,000</u></b>	<b><u>4,500,000</u></b>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	4,292,920	4,292,920	3,126,000	3,126,000
Increase of new shares					
- ordinary shares	1	-	-	1,166,920	1,166,920
<b>At 31 December</b>					
<b>- ordinary shares</b>	<b>1</b>	<b><u>4,292,920</u></b>	<b><u>4,292,920</u></b>	<b><u>4,292,920</u></b>	<b><u>4,292,920</u></b>



# SCG Packaging Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

### *Initial public offering*

The Company offered 1,296.68 million newly issued ordinary shares with a par value of Baht 1 which consists of (1) the offering of 1,127.55 million newly issued ordinary shares in the IPO and (2) the over-allotment of 169.13 million newly issued ordinary shares, the Over-Allotment Agent has borrows 169.13 million ordinary shares from the parent company to deliver to the subscribers. The Over-Allotment Agent shall procure the aforementioned number of shares by purchasing the Company’s shares traded on the Stock Exchange of Thailand (SET) or by exercising the right to purchase the Company’s shares allocated for such purpose, in the total number of 169.13 million shares, within 30 days from the date on which the Company’s shares start trading on the SET.

On 19 October 2020, the Company registered the increase of 1,127.55 million paid-up share capital with the Ministry of Commerce, with an offering price of Baht 35 per share (par value of Baht 1) amounting to Baht 39,464 million. The shares of the Company began trading on the Stock Exchange of Thailand on 22 October 2020.

On 20 November 2020, after the 30-day period of exercising the right to purchase, the Over-Allotment Agent has purchased the Company’s shares traded on the SET in the amount of 129.76 million shares and has announced its intention to exercise its right to purchase the 39.37 million newly-issued ordinary shares from the Company at the price of Baht 35 per share, which is the same price as the IPO price, totaling Baht 1,378 million to return the shares to the parent company. The Company issued and allocated such shares to the Over-Allotment Agent and registered the change in the paid-up capital with the Ministry of Commerce, the Company’s paid-up capital with a total of 4,293 million issued shares at the par value of Baht 1 per share in the amount of Baht 4,293 million.

Expenses directly attributable to the IPO of Baht 750 million were deducted from the IPO’s share premium, which was received from shares offering to investors as at 31 December 2020, resulted in net share premium of Baht 40,860 million.

## **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.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**18 Administrative expenses**

	2021	2020
	<i>(in thousand Baht)</i>	
Salary, welfare and personnel expenses	1,818,790	1,318,004
Service expenses	130,066	113,835
Rent, depreciation and amortization expenses	103,855	103,328
IT fees	86,058	75,018
Professional and consultant fees	74,250	70,049
Others	138,332	127,564
<b>Total</b>	<b><u>2,351,351</u></b>	<b><u>1,807,798</u></b>

**19 Employee benefit expenses**

	2021	2020
	<i>(in thousand Baht)</i>	
Salary and wages	1,391,457	1,018,981
Contribution to defined benefit plans	174,456	77,225
Welfares and others	144,804	140,727
Contribution to defined contribution plans	108,073	81,071
<b>Total</b>	<b><u>1,818,790</u></b>	<b><u>1,318,004</u></b>

The defined contribution plans comprise provident funds established by the Company 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.

**20 Income tax**

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
<b><i>Income tax recognized in profit or loss</i></b>			
<b>Current tax</b>			
Over provided in prior years		-	(1,430)
<b>Deferred tax</b>			
Movements in temporary differences	12	<u>(26,993)</u>	<u>(8,838)</u>
<b>Total</b>		<b><u>(26,993)</u></b>	<b><u>(10,268)</u></b>
<b><i>Income tax recognized in other comprehensive income</i></b>			
Gains (losses) on remeasurement of defined benefit plans		1,978	(7,069)
<b>Total</b>	12	<b><u>1,978</u></b>	<b><u>(7,069)</u></b>

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
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*Reconciliation of effective tax rate*

	Rate (%)	2021 (in thousand Baht)	Rate (%)	2020 (in thousand Baht)
Profit before income tax		3,983,502		2,370,497
Income tax using the Thai corporation tax rate	20	796,700	20	474,099
Income not subject to tax		(705,262)		(481,504)
Expenses deductible at a greater amount		(29,345)		(142,095)
Expenses not deductible for tax purposes and others		32,358		11,938
Tax losses increase (decrease)		(94,451)		137,562
<b>Current tax</b>		-		-
Over provided in prior years		-		(1,430)
Movement in temporary differences		(26,993)		(8,838)
<b>Income tax benefits</b>	-	<b>(26,993)</b>	-	<b>(10,268)</b>

**21 Basic earnings per share**

The calculations of basic earnings per share for the years ended 31 December was based on the profit for the years attributable to owners of the parent and the weighted average number of ordinary shares outstanding during the years as follows:

	2021 (in thousand Baht / thousand shares)	2020 (in thousand Baht / thousand shares)
Profit for the year attributable to ordinary shareholders of the Company	4,010,495	2,380,765
Weighted average number of ordinary shares outstanding at 1 January	4,292,920	3,126,000
Issuance of ordinary shares on 19 October 2020	-	187,925
Issuance of ordinary shares on 25 November 2020	-	3,281
<b>Weighted average number of ordinary shares outstanding at 31 December</b>	<b>4,292,920</b>	<b>3,317,206</b>
<b>Basic earnings per share (in Baht)</b>	<b>0.93</b>	<b>0.72</b>

**22 Dividends**

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<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>
<b>2020</b>				
Annual dividend 2019	24 March 2020	23 April 2020	0.42	1,313

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**23 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 for financial instruments measured at fair value. 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.

	Fair value through profit or loss	Carrying amount		Total	Fair Value
		Fair value through other comprehensive income	Amortized cost		Level 2
<i>(in thousand Baht)</i>					
<b>Balance at 31 December 2021</b>					
<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>	

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	Fair value through profit or loss	Carrying amount		Total
		Fair value through other comprehensive income (in thousand Baht)	Amortized cost	
<b>Balance at 31 December 2020</b>				
<b>Financial assets</b>				
Cash and cash equivalents	-	-	25,127,640	25,127,640
Loans to related parties	-	-	32,492,002	32,492,002
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>57,619,642</b>	<b>57,619,642</b>
<b>Financial liabilities</b>				
Borrowings from financial institutions	-	-	27,693,392	27,693,392
Borrowings from related parties	-	-	700,035	700,035
Lease liabilities	-	-	135,397	135,397
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>28,528,824</b>	<b>28,528,824</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.

**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 and debenture 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**  
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**For the year ended 31 December 2021**

***(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.

***(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.

**SCG Packaging Public Company Limited**  
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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	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	Total
<b>2021</b>					
<b>Current</b>					
Short-term borrowings from financial institutions	0.58 - 0.67	16,380,000	-	-	16,380,000
Current-portion of finance lease liabilities	1.40 - 3.84	56,812	-	-	56,812
Short-term borrowings from related parties	0.25	118,073	-	-	118,073
<b>Non-current</b>					
Long-term borrowings from financial institutions	1.75 - 2.25	-	9,989,467	-	9,989,467
Finance lease liabilities	1.40 - 3.84	-	103,353	17,691	121,044
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>
Deferred Interest expense- finance lease liabilities					(12,722)
<b>Net</b>					<b>32,145,725</b>

**SCG Packaging Public Company Limited**  
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	Effective interest rates (% p.a.)	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	Total
<b>2020</b>					
<b>Current</b>					
Short-term borrowings from financial institutions	0.60 - 0.66	7,700,000	-	-	7,700,000
Current-portion of long term borrowing from financial institutions	2.25 - 2.50	14,998,088	-	-	14,998,088
Current-portion of finance lease liabilities	1.84 - 3.84	40,250	-	-	40,250
Short-term borrowings from related parties	0.25	700,035	-	-	700,035
<b>Non-current</b>					
Long-term borrowings from financial institutions	2.25 - 2.50	-	4,995,304	-	4,995,304
Finance lease liabilities	1.84 - 3.84	-	89,017	19,051	108,068
<b>Total</b>		<b>23,438,373</b>	<b>5,084,321</b>	<b>19,051</b>	<b>28,541,745</b>
Deferred Interest expense- finance lease liabilities					(12,921)
<b>Net</b>					<b>28,528,824</b>

**(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 reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.



**SCG Packaging Public Company Limited**  
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**For the year ended 31 December 2021**

As at 31 December 2021, the Company has significant foreign currency risk from foreign currency assets and liabilities are as follows. (2020: the Company has no significant foreign currency risk)

	US Dollars	Euro	Total
	<i>(in thousand Baht)</i>		
Other receivables	24,932	-	24,932
Short-term loan from related parties	2,531,176	-	2,531,176
Other payables	<u>(6,486)</u>	<u>(109)</u>	<u>(6,595)</u>
<b>Net statement of financial position exposure</b>	<b>2,549,622</b>	<b>(109)</b>	<b>2,549,513</b>
Forward exchange buying contracts	<u>12,666</u>	<u>1,055</u>	<u>13,721</u>
<b>Net exposure</b>	<b><u>2,562,288</u></b>	<b><u>946</u></b>	<b><u>2,563,234</u></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.

<i>Impact to profit or loss 2021</i>	Movement (%)	Strengthening <i>(in thousand Baht)</i>	Weakening
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>	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Financial instruments with variable interest rates</i></b>		
Financial assets	43,384,481	32,492,002
Financial liabilities	<u>(16,498,073)</u>	<u>(8,400,035)</u>
<b>Net statement of financial position exposure</b>	<b><u>26,886,408</u></b>	<b><u>24,091,967</u></b>

**SCG Packaging Public Company Limited**  
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*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.

	Profit or loss	
	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand baht)</i>	
<b>2021</b>		
Financial instruments with variable interest rate	268,864	(268,864)
<b>Cash flow sensitivity (net)</b>	<b>268,864</b>	<b>(268,864)</b>
<b>2020</b>		
Financial instruments with variable interest rate	240,920	(240,920)
<b>Cash flow sensitivity (net)</b>	<b>240,920</b>	<b>(240,920)</b>

**24 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.

**25 Events after the reporting period**

On 25 January 2022, 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 2021 at the rate of Baht 0.65 per share, totaling approximately Baht 2,790 million. An interim dividend of Baht 0.25 per share was paid on 25 August 2021, as disclosed in note 22. The final dividend will be at the rate of Baht 0.40 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 1,717 million and is scheduled for payment on 25 April 2022. The dividend is subject to approval of the Shareholders at the Annual General Meeting to be held on 29 March 2022.

**SCG Packaging Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**26 Reclassification of accounts**

Certain accounts in the statement of financial position as at 31 December 2020 have been reclassified to conform to the presentation in the 2021 financial statements were as follows:

	Before reclassification	Reclassification <i>(in thousand Baht)</i>	After reclassification
<i>Statement of financial position as at 31 December 2020</i>			
Other current receivables	362,170	(33,127)	329,043
Other currents assets	46,453	33,127	79,580

**27 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective**

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2022 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 revised TFRSs and expected that there will be no material impact on the financial statements in the year of initial application.











# SCGP

## **SCG Packaging Public Company Limited**

1 Siam Cement Road, Bangsue, Bangkok 10800  
Tel: +66 2586 3333 Fax: +66 2586 3007

E-mail: [scgpackaging@scg.com](mailto:scgpackaging@scg.com)  
[www.scgpackaging.com](http://www.scgpackaging.com)







## 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 fair and 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. 232 (8/2021) on November 25, 2021)

### **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 vendors and business partners 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.

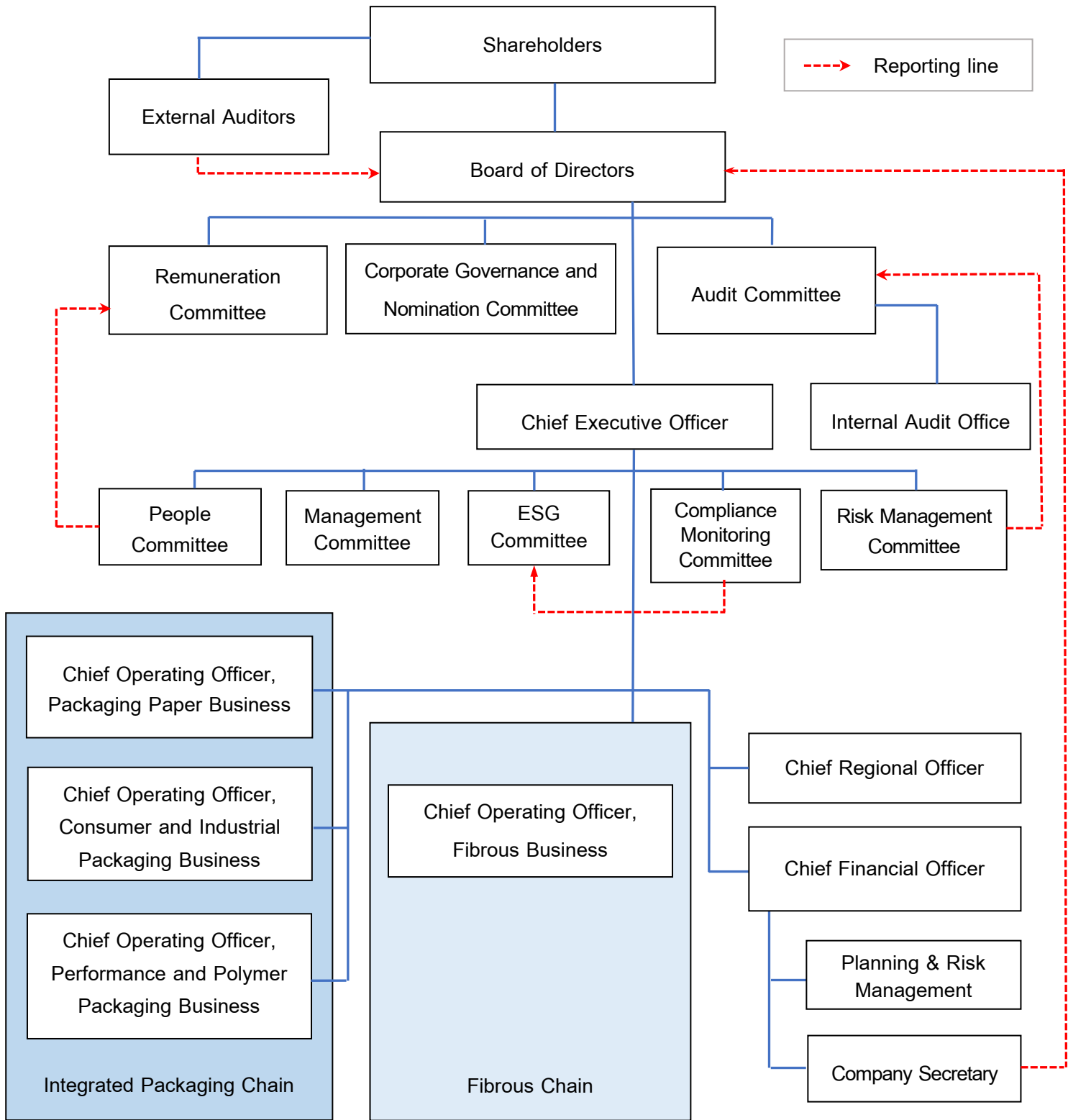
## 12. Anti-Laundering Measures

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. 232 (8/2021) on November 25, 2021)



#### **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 of Directors no. 231 (7/2021) on October 26, 2021, effective from October 26, 2021)

The Board of Directors, by the resolutions of the meetings of the Board of Directors no. 210 (6/2019), no. 224 (8/2020) and no. 231 (7/2021), 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 him/her 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 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or an earlier meeting date may be choosing. 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. 227 (3/2021) on April 27, 2021, effective from April 27, 2021)

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) and no. 227 (3/2021) on October 26, 2019, December 1, 2020, and April 27, 2021 respectively, has resolved to adopt this Charter of the 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 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods and an earlier meeting date may be choosing.



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

(Resolution of the Meeting of the Board no. 227 (3/2021) on April 27, 2021, effective from April 27, 2021)

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) and no. 227 (3/2021) on October 26, 2019, December 1, 2020, and April 27, 2021 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 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods and an earlier meeting date may be choosing.

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 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.

### **2.1.7 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).

## 2.1.8 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

(Resolution of the meeting of the Audit Committee no. 4/2021 on September 21, 2021, effective from September 21, 2021)

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

Missions of the Internal Audit Office includes building, preventing, and preserving the values of the organization by rendering assurance fairly under the defined risk, providing recommendation and comprehensive business understanding in alignment with the goals and strategies of the organization.

#### 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. 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 conduct 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 imbue ment 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. 229 (5/2021) on July 27, 2021, effective from July 27, 2021)

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).

In order to provide clear guidelines for business operations and develop the Company into an organization of sustainability, the Company has reviewed the previously issued Anti-corruption Policy and implemented this revised 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. 211 (7/2019) has, therefore, established the written Anti-corruption Policy to provide clear guidelines for business operations and develop the Company into an organization of sustainability. The meetings of the Board of Directors no. 224 (8/2020) and no. 229 (5/2021) then have resolved to further review the 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, local customs, or business.

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 all employees 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, and remuneration. Supervisors at all levels shall communicate the policy to staff 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 of donations, sponsorships or assets shall be transparent and legal. It must be made certain that such donations, sponsorship or assets 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 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 directors and employees, 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 subject to disciplinary action 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 or 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. 211 (7/2019) on August 5, 2019, effective from August 5, 2019)

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 (7/2562) resolved to approve the Whistleblowing Policy to assure that clear guidance and 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 regulations of the Company is processed appropriately, efficiently and complies with good corporate governance principle.
- 1.2 Employees and any parties acting on behalf of the Company conduct the business lawfully, transparently, fairly and verifiably by following applicable laws, good corporate governance guidance, business ethics and regulations of the Company.
- 1.3 Any person willing to report the Company on misconduct of operation or suspicious of misconduct made by a director, employee or person 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, business ethics or acts of a director, executive and employee of the Company.

### 2. Definitions

- 2.1 “Misconduct” means any act of doing or not doing by the personnel 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 the personnel including any person having interests 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 An employee 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 Operating 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 Company' s intranet website, which is accessible to every employee. Whistleblower 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 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 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 or code of conduct, 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 director and employee 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 report, annual registration statements, 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

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

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:

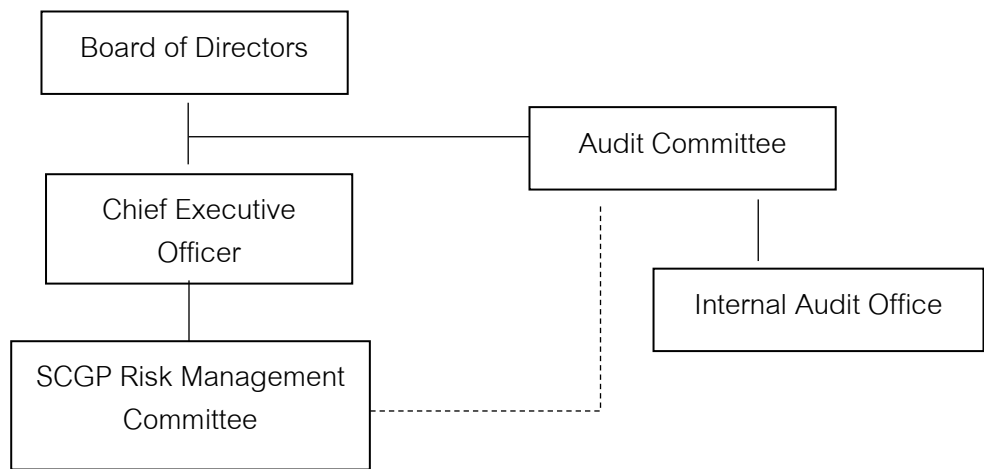
**3.1 Strategy Formulation**

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



----- Reporting line

#### 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 policies, 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 performed 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 performed 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 performed 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 performed 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**

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

### **Insider Information Management Policy**

To operation SCG Packaging Public Company Limited (“the Company”), any director, executive, employee and engaged person will consider and be informed of information that may affects the price of the security and not yet be able to disclosed to shareholders, investors or general public, then it is important to administrate the use of insider information so that it will not be leak or used inappropriately and bring advantage over other persons which will be not only illegal but also impact reputation of the Company. Therefore the Board of Directors of the Company approved the Insider Information Management and IT Governance Policy in order that all directors, executives and employees will conduct and communicate correctly under the following details:

In this policy “insider information” means the information which has not yet been disclosed to public whose material content could influence changes in securities prices or values.

1. The Company commits to operate in accordance with any laws concerning insider trading in every country it has or going to have business.
2. Any director, executive, employee of the Company and other person working with the Company who accesses or possesses insider information must:
  - 2.1 maintain insider information of the Company with due care and safe in order to prevent its leakage.
  - 2.2 not disclose insider information of the Company 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 it may influence prices or values of the securities of the Company or other listed companies relating to insider information or influence investment decision.

3. Any director, executive, employee of the Company and other person working with the Company who accesses or possesses insider information must not purchase or sell securities relating to insider information which he or she gains more advantage than other persons not knowing insider information.
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. The Company 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.
7. Any director, executive and employee of the Company who does not comply with this policy is considered breaking discipline and 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 of the Company 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, employees of the offices relating to insider information including their spouse or cohabiting couple knowing insider information of the Company 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 to the Office of the Securities and Exchange Commission (“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 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. 232 (8/2021) on November 25, 2021, effective from November 25, 2021)

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. Regarding human rights protection, SCG Packaging has strictly complied with laws and international standards especially providing support to and complying with the 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 (ILO) Declaration on Fundamental Principles and Rights at Work.

To ensure that SCG Packaging's business is free from human rights violation, the meeting of the Board of Directors has deemed it appropriate to issue the Human Rights Policy and practice guidelines to prevent violation of human rights in every business activity of SCG Packaging (direct activity), including those of its business partners in the business value chain and joint ventures.

#### **Scope of Application**

This Human Rights Policy 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.

#### **Terms for Human Rights Policy**

"Human Rights" are rights inherent to all human beings, regardless of physical or mental status, race, nationality, country of 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, freedom of expression and association, the right to work and education, and many more, to which all humans are entitled without discrimination

SCG Packaging means SCG Packaging Public Company Limited and the subsidiaries of SCG Packaging Public Company Limited according to the consolidated financial statement.

## Human Rights Policy

Board of Directors, executives and SCG Packaging's employees of every level shall recognize the importance of Human Rights Policy and respect human rights of every individual in every aspect, including the society and community at large, in compliance with the laws of each country and the treaty each country is committed to, as well as adopting the following practices.

- Treating others equally and indiscriminately on the basis of human rights.
- Refraining from acting in a way that may be considered violation of human rights.
- Encouraging and supporting human rights.
- Communicate, disseminate, educate and understand human rights, determine guidelines, as well as overseeing and providing other kinds of supports to business partners in the business value chain, suppliers, contractors, and joint ventures. These are to ensure their engagement in the business conduct in a fair and moral manner, their respect to human rights, and their treatment toward others on a basis of human rights according to this policy.

## Practice Guidelines

1. Respect human rights and treat each other with respect, honor and equality, without discriminating others based on their differences in physical and mental status, race, nationality, country of origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, tradition or any other status.
2. Perform one's duties with prudence to prevent risks from violation of human rights in business conduct, as well as overseeing that respect for human rights are instilled.
3. Encourage practices aiming for protection of human rights.
4. Communicate, disseminate, educate, understand, determine guidelines and provide support in any other ways to business partners in the business value chain who involved in the business operation, including suppliers, contractors, and joint ventures. These are to ensure that the business will be conducted with ethics and respect for human rights, while treating others on the basis of human rights according to this policy.
5. Oversee that respect for human rights is instilled in the organization. One shall not neglect or ignore when having witnessed any action relating to SCG Packaging which may be considered a violation of human rights and must notify his/her supervisors or persons-in-charge, as well as cooperating in the investigation. Should there is any query or question, one shall consult his/her supervisors or persons-in-charge through provided channels.

6. SCG Packaging shall fairly treat and protect any whistleblower of human rights violation concerning SCG Packaging under the protection measures for whistleblower or any person giving cooperation as stipulated in the Whistleblower Policy.
7. SCG Packaging shall continuously develop and carry out Due Diligence Process to identify and assess risks as well as impacts from violation of human rights, identify groups of people or persons affected, plan and define corrective and preventive actions for violation of human rights, solve and prevent issues concerning human rights violation, as well as keep track of the results. In case that there is violation of human rights, SCG Packaging shall determine proper actions to alleviate the impacts.
8. SCG Packaging shall assess and monitor the performance of management and solution to human rights violation in accordance with the assessment and management process, as well as providing support and collaboration for the remediation of human right impacts the company has caused or contributed to.
9. SCG Packaging shall determine to build and maintain an organizational culture that adheres to human rights in alignment with this Human Rights Policy.
10. Any person committing a violation of human rights, which is also a violation of SCG Packaging's Code of Conduct, shall be considered receiving disciplinary penalties according to the regulations stipulated by SCG Packaging, as well as possible legal punishments should his/her deed also violates the laws.

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

(Resolution of the meeting of the Board of Directors no. 232 (8/2021) on November 25, 2021, effective from November 25, 2021)

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 business partner 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, country of 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 business partners 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 business partners in the business value chain, suppliers, contractors, and joint ventures, as well as foster an understanding, prescribe directions, and provide other supports to promote business practices that embrace diversity and inclusion.
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. SCG Packaging shall 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 SCG Packaging's 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.

## 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 carry 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 a 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 of 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

With commitment to be a regional business leader focusing on innovation and sustainability. 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 announce this policy 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 of products, services and solutions, distribution and logistics, and managing of our wastes and end of used products. This policy shall also be applied to suppliers, contractors and service providers; 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 comply with regulatory requirements as a minimum including alignment with global issues and response to local concerns in line with SCGP Sustainable Development Guidelines and other our policies.
2. Operate the business with minimize the environment impacts by climate change mitigation and adaptation, protecting the environment, sustainable use of natural resources including energy and water through eco-efficiency and circular economy: alignment with the Paris Agreement challenge targets, zero waste to landfill, protecting of biodiversity and ecosystems, 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. Educate and raise awareness on environment 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

SCG Packaging PLC

19 February 2021



## Leading the Way in ESG and Sustainable Growth



**SUSTAINABILITY REPORT 2021**  
SCG PACKAGING PUBLIC COMPANY LIMITED



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## Message from Chief Executive Officer

SCG Packaging Public Company Limited is committed to conducting business with high importance attention to the Environment, Society and Corporate Governance, strictly complying with the ESG principles and integrating the business philosophy under the SCG ESG Pathway scheme. We adhere to creating innovative packaging for consumers and a sustainable World by following circular economy principles for reducing the probable impacts. Regarding the environmental dimension, we focused on Resource Recovery, Innovative Packaging Development that retains the shelf life of vegetables and fruits. In terms of the social dimension, we collaborated with 183 communities to recycle resources and built garbage-free communities through the Ban Pong Model Project at Ban Pong District, Ratchaburi Province. Also, we designed social innovations in collaboration with the SCG Foundation to support society by handing over 100,000 SCGP paper field hospital beds. Ultimately, the governance dimension, we designated the company directors from external experts for ensuring transparency, fairness and accountability. Under our professional management in the past year resulted in being selected in the list of "Thailand Sustainability Investment (THSI)", and achieved a Rising Star Sustainability Excellence from the SET Awards 2021, hosted by the Stock Exchange of Thailand, achieved a Gold Medal in 2021 by the EcoVadis Sustainability Ratings and achieved a Silver Class rating in the category of Containers and Packaging by S&P Global.

To comply with the SCG ESG Pathway scheme, SCGP will expand the implementation of the ESG 4 plus which bases on 1. Aim for Net Zero, 2. Go Green, 3. Lean Inequality and 4. Emphasize Collaboration plus fairness and transparency, corresponding to company's vision as "a leading multinational consumer packaging solutions provider through innovative and sustainable offerings" and to meet the packaging needs and be a part of the daily life of consumers, including continuous business expansion, both Organic Expansion and Merger and Partnership (M&P).

With our commitment, SCGP will operate the business following the SCG ESG Pathway scheme that aims to reduce environmental and social impacts with good corporate governance through collaborations with all parties to meet the needs of stakeholders and remain to create innovations and products that are valuable to consumers and society.

A handwritten signature in blue ink, appearing to read "Wichan Jitpukdee". The signature is stylized and fluid.

(Mr. Wichan Jitpukdee)  
Chief Executive Officer

## Our Ambition

SCG conducts business responsibly, with transparency and fairness according to the Corporate Governance principle, Sustainable Development guidelines, strictly follows the SCG's 4 Core values and Safety Culture Care for Self as an important fundamental.

### SCG 's 4 Core Values

01

Adherence to Fairness

02

Dedication to Excellence

03

Belief in the value of the Individual

04

Concern for social responsibility.

### Care for Self

01

We have commitment in work and life of customer through Innovation for Product and Service Recycling

02

Have knowledge, understanding, and self-improvement.

03

Love our lives, aware of personal value. Love and care for our lives.

04

Care and Concern by ourselves.

05

Proud and recognize individual.



Aiming to achieve the vision,  
**A Leading multinational consumer packaging solutions provider through innovative and sustainable offerings.**



as the following missions:

### Mission



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 diversify of its product offerings and customer base to capture macroeconomic growth and the increase in consumer expenditures in the region; and



Committing to undertake proactive actions in respect of Sustainable Development and being the pioneer of the Circular Economy in ASEAN.

### Business Strategy

1. Quality growth through Merger and Partnership (M&P) and Organic Expansion.
2. Packaging solution, Innovation, and E-Commerce
3. Operational Excellence.
4. ESG and Sustainability.





## SCGP Corporate Culture

SCGP aims to be the leading trustworthy multinational company for our customers and the stakeholders by provide professional work reflected from quality products and services, creation of solutions, and innovations for comprehensively meeting customers' needs.



### All leaders

are the driver of results through their acts as exemplars.



### All employees

are the driver of results through their thinking and working.

Wherever we are, we can connect through

- Our shared goal and direction.
- The value we provide including the way of thinking and working



## Focus on building employee's behavior and mindset

### 01

Customer & Consumer Centricity

- Always start with customers' value
- Integrate customer experience and needs into own plan

### 02

Seamless Collaboration; Add on various abilities for the success of the team.

- Start working collaboration with respecting each person in the team, accepting each other's capabilities (Earn respect), and respecting the individual value (Own respect)
- Trust others, add on good ideas, always join in positive activities, build the various abilities of the team for achieving the same goal.
- Always acknowledge, admire and encourage cooperativeness among the people in the team.

### 03

Proactive and Agile for execution

- Think more steps ahead with various approaches, methods, and formats with immediate response.

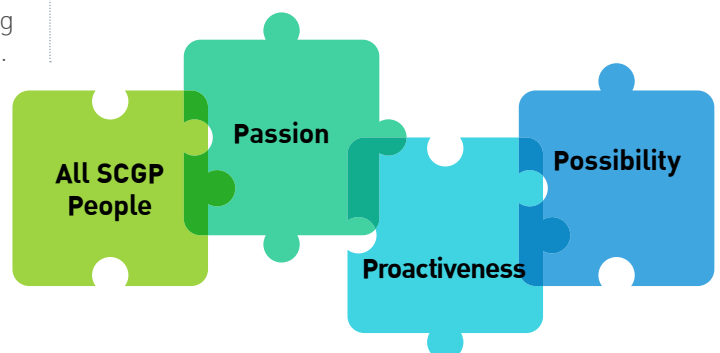
### 04

Inspired to create Innovations and good things for society

- Take ownership of your work.
- Eager to accept new ideas, open your mind for trying a new thing or valuable Innovation for business
- Concern and pass on good things to others and society.

## Our corporate culture is our ACT.

The daily activities and the behavior of the executives, the management, and workers in the workplace form the rituals, passed on from generation to generation.



# Business Overview

SCGP is a leading comprehensive Packaging Solutions Provider. The Company's operations are organized into two main operating Segments: the Integrated Packaging Business and Fibrous Business.

## 1. INTEGRATED PACKAGING BUSINESS

### Fiber-based Packaging

can be divided into two main categories:

- Corrugated containers-Comprises a wide range of functions, protecting goods from being damaged during transportation, and identifying details of products to communicate with customers for counterfeit protection such as Regular Slotted Containers and Logistics Packaging.
- Retail Display Packaging-the Packaging for product display at the Point-of-Purchase, Shelf-ready, and Retail-Ready features and can be used for product protection during transportation such as Folding Carton Box and Pop-Tech Display, etc.



### Packaging Paper

Packaging Paper can be divided into two main categories:

- Packaging paper: Containerboard, Sack Kraft etc.
- Non-Packaging paper includes laminated rolls, reem cut paper, split Paper, slit rolls, high-pressure laminate, honeycomb panels for cooling etc.



### Performance and Polymer Packaging (PPP)

PPP products are applicable for goods that Fiber-based packaging offerings may not already appropriately address, as it requires special properties and are divided into 3 main categories:

- Flexible Packaging to extend the product shelf life with low lightweight during transportation such as Flexible Packaging for consumers.
- Rigid Packaging-enhances products displayed on the shelf with easy handling and carry-on, also incorporate circular economy principles in the product design such as blow molding packaging and extrusion tubes.
- Medical Supplies and Labware-collect or contain laboratory specimens and other supplies used in laboratory processes.



## 2. FIBROUS BUSINESS

### Foodservice Packaging

Foodservice Packaging comprises food packaging under the brand Fest®, Foodservice packaging for Fastfood business, and takeaway.



### Pulp and Paper Products

Pulp and Paper Products comprise 3 main categories:

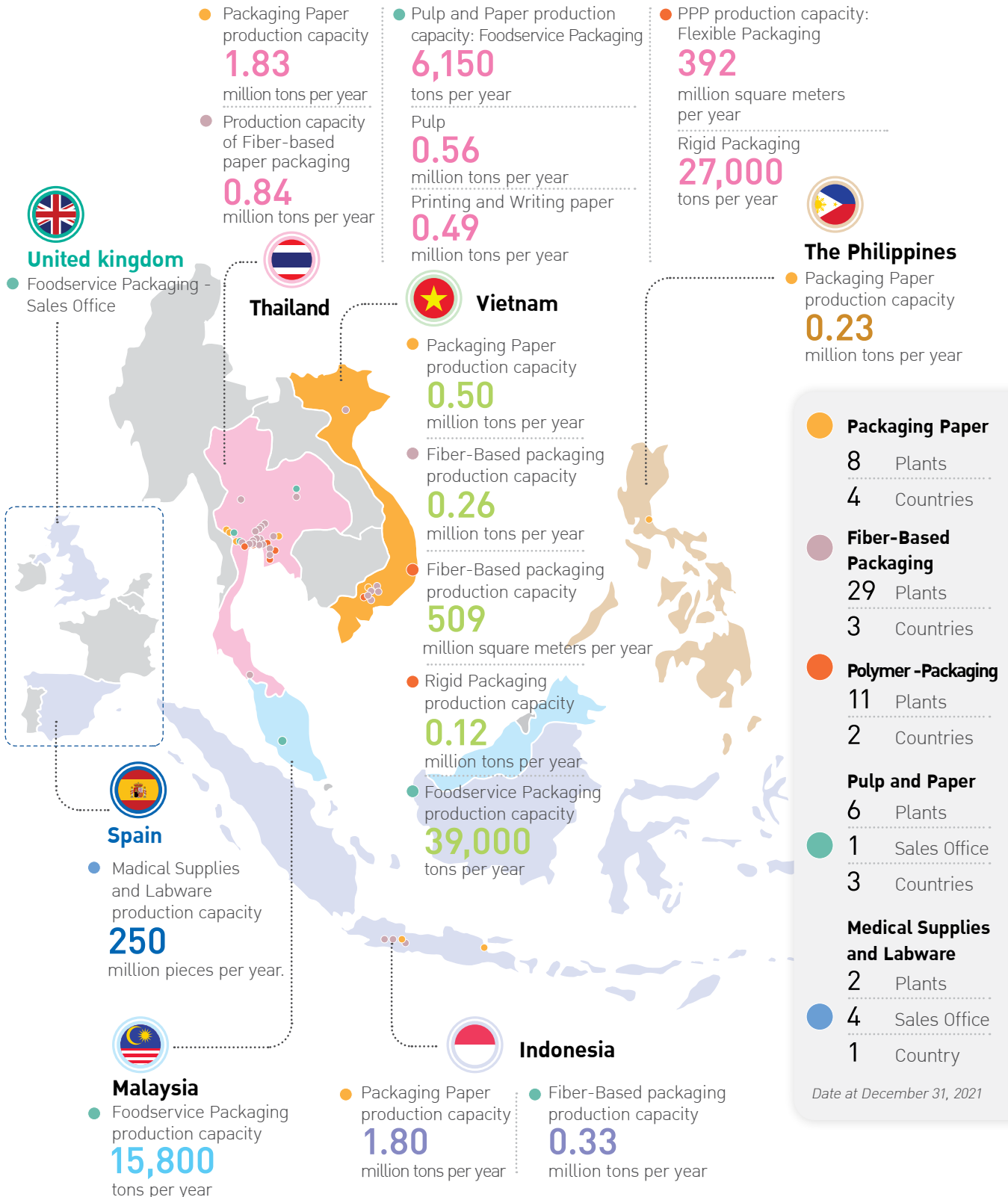
- Printing and Writing Paper  
It is a wide range of printing and writing papers for various business purposes such as graphic and copier papers.
- Pulp  
Eucalyptus Pulp and Dissolving Pulp
- Plantation Products: Wood Chip for biomass



## Business Operations according to Geographical Area.

In 2021, SCGP has a total 56 production facilities and 5 sales offices in 7 countries: Thailand, Vietnam, Indonesia, the Philippines, Malaysia, United Kingdom and Spain.

The Company's geographical presence strengthens our vertically integrated business model, as it allows for more intra-group synergy among subsidiaries and increases our capability to gain access to markets with growth potential in ASEAN, Europe, and North America.

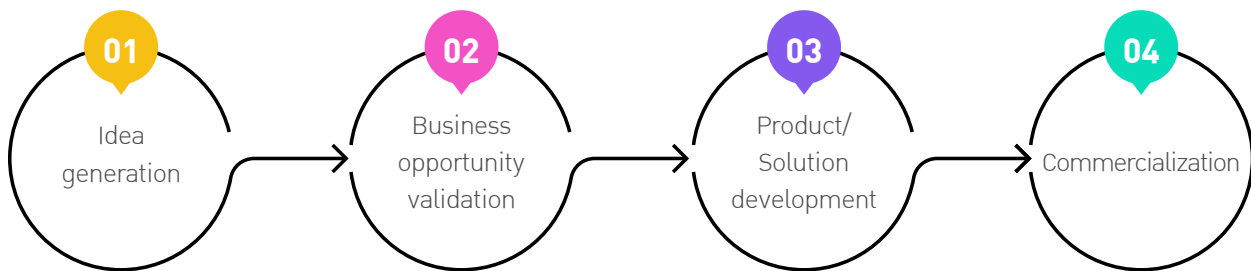


# Innovations for Sustainability

SCGP has highly emphasized research and development for innovation to offer comprehensive packaging solutions to customers. Innovation and Product Development Center (IPDC) has collaborations across SCGP’s subsidiaries and external networks such as research institutes and leading universities domestically and internationally to create Innovation for sustainability. Therefore, innovation is crucial for business success and growth for the following reasons.

- Increase competitiveness by continually introducing new products or services that meet customers’ ever-changing needs. Thus, it can raise sales revenue for the business.
- Increase the efficiency of business operations by managing resources for maximum sustainable benefits.
- Promote the outstanding corporate image well recognized internationally.
- Create a corporate culture of an innovative organization and attract competent employees to be loyal and develop the organization simultaneously.

By following the process of Innovation Management



**Research and Development**  
**943** million baht  
 accounted for  
**0.8** percent  
 of total revenue.

**Researchers**  
**90+**  
 people

**Professional Designers**  
**35**  
 people

**Sales and Customer Service Team**  
**500+**  
 people

**Skilled Engineers**  
**120+**  
 people

The company is committed to creating Innovation by partnering with external organizations, both public, and private sectors, including supporting and driving SCGP to be an innovative organization. The operations in 2021 can be summarized as follows:

### Building partnerships with external organizations

1. A network of cooperation in sustainable development through circular economy principles
2. Recycling technology for Aluminum-containing packaging and film
3. Torrefaction technology for production and alternative fuels. Optimization and application of SO<sub>x</sub> absorbent in the plant.
4. Detect Odor Monitoring (DOM)
  - The collaboration goal was a total solution for eliminating air pollution in industrial plants.
  - Enhance the efficiency of odor monitoring system and prepare guidelines and standards of odor monitoring with academic and government.



### Government-University-Industry Collaboration (GUI) for raising innovation for solving industrial air pollution at the national level

The project development of detect industrial odor pollutant and management system includes an electronic nose and an AI system for processing and displaying simulation results to detect the odor source in real-time. It was the cooperation of the Department of Industrial Works of the Ministry of Industry, Thammasat University (TU), and King Mongkut’s Institute of Technology Ladkrabang (KMITL).

### Collaboration with King Mongkut’s University of Technology North Bangkok

The Project’s objective is to develop the positioning system of available finished products in the warehouses and on the shelves of raw material supply stores. The system comprises a camera-equipped transmitter mounted on a forklift with a processor connected to an onboard tablet that can transmit a QR code detection signal attached on top of the raw material shelves to indicate the locations. This system improves the efficiency of feeding raw materials into the production process faster with more accuracy.

**THE INSPIRING INNOVATION 2020 - 2021**  
**Innovation Everyone, Everywhere**

SCGP emphasizes investing in research and development, including focusing on employee development to adhere to innovation creation under “The Inspiring Innovation Project,” where employees have opportunities to exchange ideas, expand, develop potential, and learn. In 2021, 30 selected innovation projects entered the Incubation program for further development to commercialization.

The outstanding innovations from the Inspiring Innovation Project in 2020 were natural pulp packaging coated with easy-peel plastic film for the food delivery customer segment, Modified atmosphere packaging for agricultural produces. In addition, innovations from startup projects within the organization from Dezpax and LocoPack.



**Innovation and Sustainability**

Regarding research and development to create innovations:- new products, services, or processes that meet customers’ needs, SCGP has integrated the concept and concern in social and environmental dimensions into the innovation management process to achieve Sustainability according to ESG concept for creating value to the business.

**Innovation for Environment - Fly ash brick, “ProBlock.”**  
**Challenge**

Fly ash is the residual leftover from the energy production process, classified as industrial waste that affects the environment with high disposal costs. Therefore, SCGP has done many studies and technology development to reuse fly ash appropriately to produce innovative products that are safe for users and the environment.

SCGP continuously developed the fly ash brick “ProBlock” until granted the patent under the design category and has been on Thai Innovation list. ProBlock has been widely used for construction work in household and government sectors.



**Results**

The use of fly ash from the energy production process following the circular economy principles, including the encouraging of the zero landfill policy, can reduce the disposal cost by approximately 1 million Baht per year with a sales revenue of 1.6 million Baht per year. Moreover, with the continued

efforts in research and development, the company can produce quality bricks with a higher load-bearing capacity, increasing the robustness of the building structure with lighter weight while maintaining the strength to meet the convenience of users and construction workers. The development of this innovation enhances SCGP to reduce the disposal cost of 2 million Baht per year and create value from the sale of reinforced bricks by 4.5 million Baht per year.

**Innovations to reduce the environmental and health Impacts - Watersoluble bag**

Water-soluble bag helps to prevent the infection from contacting the clothing used by patients and healthcare personnel. Because of its pure polyvinyl alcohol (PVOH) composition with water-soluble properties, the water-soluble bags can be completely dissolved in water above 65 °C, within only 3 – 15 minutes after the washing process without harming the fabric and the environment according to the standard of infection management.

**Results**

Innovative water-soluble laundry bag can be soluble and discarded in the water during the clothes-washing process without causing toxic wastewater and affecting aquatic organisms. Thus, they help reduce plastic bag usages that generate more infectious waste. Thus, they help reduce plastic bag usages that generate more infectious waste from burnt the leftover, possibly causing air pollution.



In addition, there were some products with environmentally friendly packaging designs granted awards in line with the circular economy principles, for example;

**BRING BOX BACK**

The waste paper drop point helps bring back the receiving box and all waste paper to the recycling process for producing the new paper, which will be delivered to customers for use again. It can increase the better efficiency of the waste paper recycling to be recycled in the system.

**SCGP New Year Hamper**

The paper baskets are 100% recyclable and lightweight, an alternative designed to replace conventional baskets. Besides, the used packages can transform into a storage device in the office as a CompactWork Station to encourage the current work from home trend.

**OptiBreath®: Fresh Coconut Life Extension Bag**

The thai fragrant coconut bag helps extend the coconut’s freshness for a longer time with the film technology for controlling the passage of gas and water vapor, making coconut breath and dehydrate at the right amount to increase the shelf life.

## Total Packaging Solutions

SCGP is committed to developing solutions by competent designers, researchers, and developers to offer products and services to all customer groups with cost-effective use of resources consumption and environmentally friendly production processes.

### Circular Economy Solutions

Emphasize product and service design following the circular economy principles by making the best use of resources from the design process to minimize the resources while ensuring that the product remains strong and durable. Also, offer the collecting service of used goods returned to the recycling process.

- **Green Carton** – the lightweight of Green Carton packaging with technology to decrease paper consumption in the manufacturing process while maintaining and strengthening the protection of products.
  - Reduce paper consumption by at least 25 grams per square meter.
  - Require fewer raw materials and less energy to produce.
  - Save the environment from deforestation.
  - Maintain and strengthen the stacking and protection properties of the products.
- **FybroZeal™** The paper packaging bag is made from natural fiber with a special coating. It is recyclable and biodegradable, best serves products that do not spoil quickly and do not need moisture or oxygen protection.
- **Green Offset Paper 100% EcoFiber** It is uncoated paper for offset printing made from high-quality 100% EcoFiber\*, with the same functional properties as paper made from virgin pulp.
- **Post-Consumer Recycled Resin (PCR)** It is the use of plastic resins after consumers use, as supplementary raw material in the production of polymer packaging. It helps reduce the use of new plastic pellets.



- **Foodservice Packaging** under brand FEST® made from clean, safe paper, with direct food contact property, under International Production Process Standards and GMP-EU Standard Certification. It responds to the increasing packaging consumption according to the continual growth of the food business and delivery service.



\* EcoFiber is an environmentally friendly pulp that uses reused materials to be selected, managed, and controlled production efficiently to achieve high-quality pulp.

- **SCGP Recycle Waste management solutions** enhance knowledge and create consumer- experiences according to the circular economy principles. They know to separate waste materials at sources, such as paper, plastic, and aluminum, to be recycled into new products, and to use resources wisely, with the cooperation of partners to expand their reach to increase recycled materials back to the production process accurately and efficiently.

### Small Lot Solutions

Design and manufacturing services for the small lots and on-demand packaging to fulfill SMEs' needs.

**Digital Printing solutions** are especially for fast-moving businesses because of digital printing qualities with high-resolution and vibrant colors with direct printing of digital-based files without preparing a traditional mold. Thus, it can save production time and restriction of minimum order until becoming a competitive advantage.



### Convenience Solutions

Packaging design services development to maximize customers' and users' conveniences responding to their increasingly fast-paced lifestyles and facilitate them to meet the convenience at every step of shopping and engagement of brands and products and services.

- **EzySteam™** A flexible packaging product with a relief mechanism of steam pressure inside the bag enables consumers to heat packaged food in the microwave oven without first cutting, puncturing, or opening the packaging. It is suitable for foods that need to be heated or reheated in the microwave, such as steamed stuff buns, Chinese dumplings, rice dumplings, and desserts.



- **OptiBreath®** A flexible packaging bag keeps the freshness of fruits and vegetables and extends their shelf life longer than ordinary bags.



**Smart and Functional Solutions**

It is the Integration of designing, printing, and manufacturing technologies to deliver unique packaging benefits beyond carrying or protecting the contents inside the package.

- **OdorLock™** is a food odor-locking packaging made of a particular type of plastic that helps resist the penetration of undesirable odors of goods out of the package. Thus, the smell goods can be transported with other goods without odor interference.



- **Carbon Black** Because of the excellent particles structure of the carbon black regarding electrical conductivity, it is used in the printing and coating ink industry to produce pigments for printing ink and coatings as an anti-static material.

**Marketing Event Solutions**

SCGP offers comprehensive solutions from design, printing, manufacturing, installation, and complete recycling of used items. All exhibition booths are paper to be assembled, disassembled, dismantled, and easily recycled.

- **Booth & Exhibition**  
The service includes manufacturing and installing booths for exhibitions, events, or presentations, including design services for specific customer needs.



**E-Commerce Solutions**

Total Packaging Solutions offer e-commerce services, from designing to manufacturing, for e-commerce businesses, couriers, SME online retailers, and other online retailers by selling standard post boxes and other products required for transportation

- **Dezpax** offers a one-stop food packaging service
- **LocoPack** offers customized packaging design with bright colors at desirable quantity fit for usage.
- **Doozy Shop** a complete packaging online market place



- **Counter Display**  
A small shelf on a counter can be placed immediately to create a difference by making the product's display stand out, look beautiful, and more attractive.
- **Merchandising Display**  
A decorative point-of-sale packaging made from a corrugated board with a unique design suitable for products or any particular occasion can promote the point of sale with a beautiful and eye-catching.
- **Dump Bin**  
The eye-catching display packaging is designed in a dump bin that puts the products shown together and offers visibility rather than placing them on a general shelf.



- **Doozy Lifestyle**  
Products that reflect the uniqueness of customers by combining beautiful designs and perfect functionality using high-performance flexible paper as the primary material.

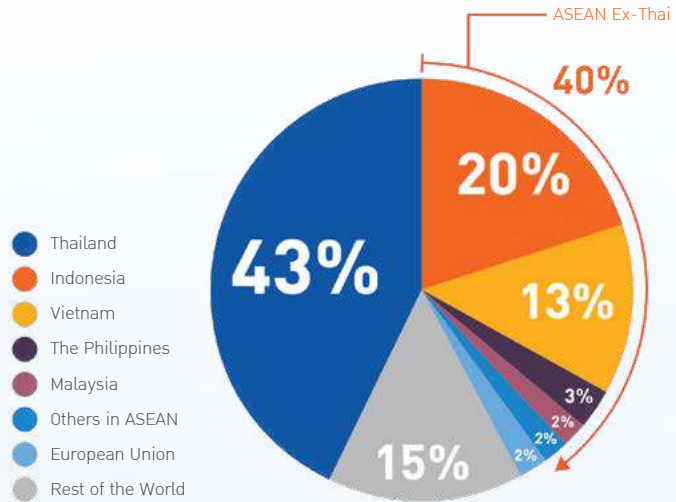


# ESG Highlight Performance Year 2021



Sales Revenue  
Baht billion **124**

Consolidated sales by end destinations



**EBITDA**  
Baht billion  
**21**



**Production Facilities**  
**56**  
sites



**5**  
Sales Office



**No. of Employees  
(Thai / Aboard)**  
**8,845/14,496**  
employees



**Green Procurement  
Purchased**  
Baht million  
**5,421**

**11** % of total  
procurement purchased  
**16**  
products



**Supplier in procurement spend passed  
Environmental, Social, and  
Governance (ESG) risk assessment**

**100** % of supplier  
with procurement spending  
over million Baht



**Environment-related  
investments and expenses**  
Baht million  
**1,251**



**Research Development  
and Innovation  
Investment**  
Baht million  
**958**



**Environmentally friendly  
Products and Services under  
"SCG Green Choice"**  
**44**  
products







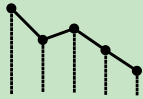
Waste from production process in Thailand to landfill

0 Ton



Reduction of waste disposal by incineration without energy recovery in Thailand

99.99% compared with the base year of 2014



GHG Emission Reduction

0.1 million tons carbon dioxide equivalent,

2.4% compared with the base year of 2020 both Thailand and abroad



Energy Saved

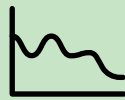
4.0 petajoules

5.8% compared with Business As Usual [BAU] at the base year of 2007



Proportion of Renewable Energy

20.7%



Water Withdrawal Reduction

28.1 million cubic meters

26.3% compared with Business As Usual [BAU] at the base year of 2014



Proportion of Recycled Water

14.2%



Lost Time Injury Frequency Rate of Employees and Contractors

0.608

cases per 1,000,000 Hours Worked



Number of Fatalities as a result of Work-Related injury of Employees and Contractors

2

cases



Occupational Illness and Disease Frequency Rate of Employees

0

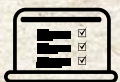
case per 1,000,000 Hours Worked



Human Rights violations

0

case



Employee passed Ethics e-Testing a test on Ethics and Human Rights

100%



NCS Plantation

55,315 trees



Scholarship Program

1,140 scholarships in 62 schools



Check Dams Program

570

projects



Water Supply for Agriculture Project

3,807,853

cubic meters



Support Community Products

1,817,694 Baht



Career Development Center in Communities

28

centers



Social Enterprise Development – income from handicraft product from Industrial waste

Baht 580,000



Zero Waste Communities Development “Like (No) Garbage”

30 communities



Corporate Volunteers

429 people

# Pride of SCGP in 2021



SCG Packaging Public Company Limited was selected to be in the list of "Thailand Sustainability Investment (THSI)" for the year 2021 and received the two SET awards;



### Business Excellence

in the category of Best Deal of the Year Award for outstanding and excellent initial public offering (IPO) and

### Sustainability Excellence

in the category of Rising Star Sustainability Award for conducting business following Sustainable Development guidelines from the Stock Exchange of Thailand



SCG Packaging Public Co.Ltd. and Thai Containers Group Co. Ltd. received 2 Design Excellence Awards ( DEmark) 2021 in packaging design category from Wealthy Orange Box and Coco Bucket 1 Award in industrial and digital products from the Cure AIR SURE Organized by the Department of International Trade Promotion. Ministry of Commerce



SCG Packaging Public Company Limited received the G-mark Award 2021 in the category of Accessories and Personal items from CURE AIR SURE organized by the Japan Institute of Design Promotion.



SCG Packaging Public Company Limited achieved a Gold medal in 2021 by the Ecovadis Sustainability Ratings

### Sustainability Award

Silver Class 2022

SCG Packaging Public Company Limited achieved a Silver Class rating in the category of Containers and Packaging by s&P Global

### S&P Global



Thai Container Group Co., Ltd., and Tawana Packaging Co., Ltd. received the Best Material Innovation Awards 2021 from the World Corrugated Awards 2021.

SCG Packaging Public Company Limited received a Corporate Sustainability Assessment (CSA) of S&P Global in 2021 at the Silver Class level in the Containers and Packaging industry category



### National Award

ThaiStar Packaging Awards 2021 from the Department of Industrial Promotion Ministry of Industry, 8 awards

- Consumer Package category, 6 prizes
- Eco Package category, 2 prizes



## SCG Packaging Public Company Limited and Siam Kraft Industry Company Limited

- **received the first prize of ASEAN Energy Awards 2021** in ASEAN Coal Awards: Transportation, Management and Coal Storage,
- **1st runner-up award** in the category of Best Practice in Clean Coal Use and Technology from The ASEAN Center for Energy (ACE)

SCGP's subsidiaries received the **Outstanding Workplace Model Award for Safety Model Occupational Health and Working Environment 2021** from the Ministry of Labor.



SCGP's subsidiaries received an award for **Outstanding Establishment in Labor Relations and Welfare Year 2021** from the Ministry of Labor.

### Platinum Award Plaque

- Thai Container Group Co., Ltd. (Pathum Thani)

### Diamond Award Plaque

- Thai Container Rayong Co., Ltd.

### Platinum Awards

- Thai Container Group Co., Ltd. (Navanakorn)
- Thai Container Group Co., Ltd. (Samut Prakan)
- Thai Container Group Co., Ltd. (Songkhla)
- Prepack Thailand Co., Ltd.

### Diamond Award

- Thai Container Khon Kaen Company Limited
- Tawanna Packaging Co., Ltd.
- Thai Cane Paper Public Company Limited (Kanchanaburi)

### Gold Medal Award

- Thai Container Group Co., Ltd. (Kamphaeng Phet)
- Thai Container Group Co., Ltd. (Prachinburi)
- Siam Kraft Industry Co., Ltd. (Wang Sala)
- Thai Cane Paper Public Company Limited (Prachinburi)

### Highest Honor Award

- Thai Container Group Co., Ltd. (Ratchaburi)
- Thai Container Group Co., Ltd. (Pathum Thani)
- Thai Cane Paper Public Company Limited. (Kanchanaburi)
- Siam Forestry Company Limited

### Honorary Award

- Thai Container Group Co., Ltd. (Navanakorn)

### National Award

- Thai Container Group Co., Ltd. (Samut Prakan)
- Tawanna Packaging Co., Ltd.
- Siam Kraft Industry Co., Ltd.



- Siam Kraft Industry Co., Ltd. (Wang Sala), Thai Cane Paper Public Company Limited, (Kanchanaburi) and (Prachinburi) and Thai Paper Co., Ltd. (Wang Sala) received **Green Industry Certificate ( Green Industry ) Level 5** from the Ministry of Industry
- Vina Kraft Paper Co., Ltd. was selected as one of the top five organizations with gender equality management and one of the top 100 organizations in Vietnam with sustainability management from the Vietnam Chamber of Commerce and Industry (VCCI)
- PT Fajar Surya Wisesa Tbk received **Green Industry Award 2021** from the Ministry of Industry of the Republic of Indonesia.
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company was selected as the **Top 100 Best Places to Work in Vietnam** organized by VnEconomy, and Vietnam Economic Times.
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company received the **Ho Chi Minh City Golden Brand Award** in building and developing excellent products and services brands in the Industry Category from the Ho Chi Minh City People's Committee.

# Sustainability in Focus



# Achieving the business goals amid COVID 19

## crisis enhances true organizational value.

It had been more than two years since the coronavirus outbreak - COVID-19 that caused damages to all sectors of Thailand, the region, and worldwide. Even amid the crisis, SCGP kept moving toward the most crucial goal to be "A leading multinational consumer packaging solutions provider through innovative and sustainable offerings" With a solid determination, SCGP led employees, customers, and business partners to pass through this crisis together

SCGP regularly assesses and monitors business risks, ready to prepare preventive measures to accommodate various situations that may affect the business. Following SDG No. 3,



Health and Wellbeing of Sustainable Development Framework, the standards of the World Health Organization (WHO), the United Nations Office for Disaster Risk Reduction (UNDRR) Guidelines, and the Sendai Framework 2015-2030 to create a balance of the three dimensions; Economy, Environment, and Society according to Corporate Governance (ESG) guidelines by operating under the 4C principles comprising

### CARE

Care for the excellent health and safety of our employees, customers, business partners, society, and communities that live together, including building trust in safe products and services.

### CONTROL

Determine clear measures and guidelines formulated to reduce risks and strictly follow government measures.

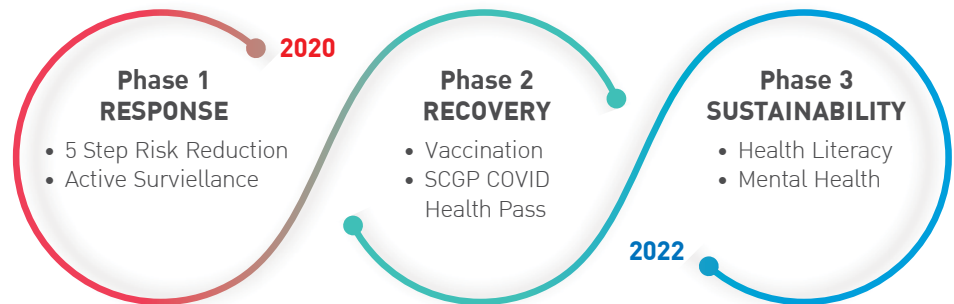
### CONTINGENCY

Assess the situation in advance, prepare to prevent an outbreak in the workplace or expected incidents to happen, and manage the business to be continued.

### COMMUNICATION

Communicate up-to-date information for understanding without panic and raising awareness of self and family protection.

## The three phases of Risk Management during the COVID-19 pandemic



### The first phase: Response Phase

After the World Health Organization (WHO) warning, SCGP immediately announced the appointment of a Working Group on the COVID-19 Emergency Situation, consisting of representatives, executives, and all involved employees both domestically and internationally. They had attentively continual meetings every week for defining measures and guidelines to reduce the likelihood of death and the number of people affected in the factory, community, or impact on the environment and society that could lead to business interruption for building confidence to customers and stakeholders. " All affected person must be treated immediately without discrimination of gender, race, religion, and creating social inequality," strictly complying with WHO guidelines and the Disease Control Measures of the Ministry of Public Health.

**Elimination of the likelihood of infection** focused on the DMHTTA system that eliminated the chance of infection. The Company implemented the measures of risk closure such as closing the risky places, refraining or prohibiting dangerous activities under the Hierarchy of Controls During COVID - 19, or checking the ventilation system with HEPA filters- ASHRAE standards.

**Detect and Control** focused on the separation of Risk groups or suspects with Self-Declaration before entering the area and monitoring the local epidemic (Sentinel Surveillance) to assess and detect the linkers, then continuously test for infection with RT-PCR and ATK systems.



**Prevention** focused on working through digital contactless through Gate control with face recognition technology at the entry and exit points, with Mask detection, Screening for vaccination through Health Pass, and adjusting work processes such as the Drive-thru system

**Mitigation** focused on reducing the impact by arranging the emergency drills from the initial level to the critical (Full-scale Exercise) to test the work process crisis communication under the business continuity management plan and applied the After-Action-Review implementations to develop for more efficiency.

**The second phase: Recovery Phase**

**Step 1 Control Measure:**

Test, Treat, Track, Take care.

**Step 2 Active Finding:**

Searched for an infected person with speed accuracy and respect for human rights aiming to control the outbreak so that it does not have a broad impact

**Step 3 Vaccination:**

Encouraged everyone to get vaccinated for the safety of life and property of oneself, family, a community without forcing and social inequality.

**The third phase: Sustainability Phase**

It was the preparatory phase for the year 2022 to overcome this COVID- 19 crisis by building pillars for the foundation of health security to be “a Health Literacy Organization” moving towards business stability and sustainability. Such as providing health education according to Thai and international standards, with the test score not below 80 percent as the base year in 2021.

There were Emergency Response with five levels of severity as follows:

<b>S1</b> Screening	<b>S2</b> Zoning	<b>S3</b> Bubble and Seal
<b>S4</b> Factory Isolation	<b>S5</b> Shutdown Plant	

The severity of outbreak responses was set in order under the direction of the Local Management Team (LMT) to manage the balance of care for employees and the business to respond to customers continuously under the supervision of government officials complying with the laws and the highest security.

As a result of this COVID-19 crisis, SCGP did not shut down the business. The infection testing results of employees across the country were lower than the standards set by the Ministry of Public Health (status as of November 25, 2021) and continuously produced products delivered to the customers plus the safe use for them.



Other documents can be read at this link <https://www.scg.com/ebook-control-and-living/>

**Sustainability Phase**  
Smart living control with COVID-19  
For Sustainable Development

<b>Build Trust</b>	<b>Health Security</b>	<b>Business Continuity</b>	<b>Social &amp; Culture</b>
1. Thai Stop COVID & COVID free setting non affect to community & environment	2. Full Vaccinated Active 3. Zero Cluster 2/3 < 5% or 10 people or longer than 14 days 4. Zero Mortality	5. Stakeholder / Supply Chain / Delivered product to customer SLA (BCM)	6. Promote Health Literacy (HL)
<b>Smart Reopening</b>	<b>Smart Control</b>	<b>Smart Health Preparedness</b>	<b>Smart Information &amp; Communication</b>
1. COVID Free setting •Screening •Self-Declare 2. Hybrid workplace 3. Compliance Local regulation	1. Active finding 2. Sentinel Surveillance 3. Bubble & Seal 4. Health Pass 5. Gate control 6. Drive-thru 7. Online Self Declaration	1. Herd Immunity 2. Upgrade Medical center 3. Develop Medical team competency 4. Infections waste management	1. Internal communication 2. Health survey 3. Early Warning System (EWS)
			<b>Smart Mechanism &amp; Participation</b>
			1. Green response 2. Governance & Community

# Circular Economy



## Target

The Volume of Recyclable, Reusable, or Compostable packaging

**100** % from the volume **by 2025**  
% of total packaging

## Performance 2021

The volume of Recyclable, Reusable, or Compostable packaging

**99.7** % from the volume  
% of total packaging

SCGP has applied the Circular Economy principles into all business operations for ensuring sustainable consumption and production pattern towards the SD Goal no.12 of the United Nations. SCGP has shared the world goal with people worldwide because we are racing against time to solve environmental problems due to climate change and resource shortage. Thus, It is crucial to manage limited resources efficiently, whether water, energy, or raw materials, and maximize the resource value starting from planning, designing, selecting materials, using environmentally friendly production, managing waste, and recycling them as new raw materials. Effectively implementing the Circular Economy requires cooperation with organizations, associations, and business partners throughout the supply chain and raising consumer awareness of safety and good quality of life. These implications are to preserve nature and a good environment based on Circular Economy principles for sustainable resource use in the future.

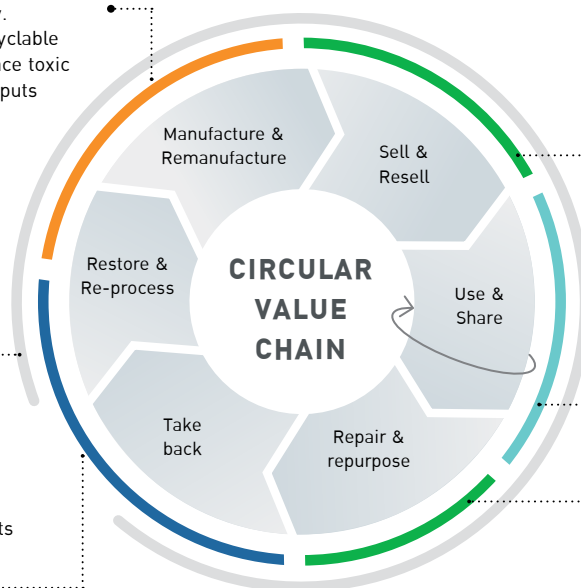
## Strategy

1. Incorporate the Circular Economy principles in developing products and services to generate and retain their maximum material core values.
2. Promote the use of bio-based or renewable materials with recyclability with certification
3. Research and develop innovations to extend the life of products and components.
4. Use the Sharing Platform to make the most of our resources.
5. Collaborate with customers and business partners throughout the value chain to efficiently manage the resources.
6. Collect and manage waste for reuse and recycling.
7. Transform the business model according to the concept of making Products as a Service.
8. Become a member of national and international associations to drive implementations towards the mutual goal following the Circular Economy principles.

**Circular supplies**  
Use renewable energy.  
Bio-based or fully recyclable input material to replace toxic and single-lifecycle inputs

**Product as a service**  
Offer product access and retain ownership to internalize benefits of circular resource productivity

**Resource recovery**  
Recover materials, resources and energy from disposed products or by-products



**Product life-extension**  
Extend working lifecycle of products and components by reselling, repairing, remanufacturing and upgrading

**Sharing platform**  
Enable increased utilization rate of products by making possible shared use/access/ownership

## Circular Value chain

## Resource Recovery SCGP Joined forces with business partners and the general public.

### The project "United to Fight Against COVID: Transform Used Paper into SCGP Paper Field Hospital Bed."

Due to the COVID-19 pandemic crisis, the number of infected patients increased daily; the Ministry of Health Thailand needed to organize field hospitals for patients in various areas throughout Thailand. SCG created a circular economy innovation; field beds to help establish field hospitals to accommodate patients promptly. "SCGP Paper Field Bed" is made solely of 100% recycled paper; each bed weighs only 14 kg. It is convenient for transportation and assembly in just 8 minutes without glue." The Project "United to Fight Against COVID: Transform Used Paper into SCGP Paper Field Hospital Bed" provided opportunities for organizations and the general public to take part in helping society. Also, the Project instilled the consciousness of saving the world, protecting the environment by providing knowledge and correct understanding of the use and handling of waste paper materials to be recycled and reused as valuable material resources. In conclusion, the 150 organizations participated in the Project, including over 1,800 drop-points in public, with the collection of 450 tons of waste paper delivered by general people during the project implementation period (28 April - May 2021).

**Transform BOXES to BEDS**

Be disposed of as infectious waste

**Do you know!** that recycling 1 ton of paper can reduce anything?

- Reduce the cutting of 17 trees
- Reduce electricity consumption 1,000 kilowatts
- Reduce fuel oil consumption by 30 liters
- Reduce water consumption by 20 cubic liters
- Reduce 1 ton of waste paper
- Reduce the use of chlorine for bleaching pulp 5 kilograms.
- Reduce the expense from imported paper 2,500 baht
- Reduce waste disposal cost 1,500 baht/ton

## Resource Recovery

### Plastic Recycling Plant Project at Fajar Surya Wisesa Paper, Indonesia

According to SCGP's policy of encouraging all business operations to follow the Circular Economy principles, Fajar Surya Wisesa Paper Plant in Indonesia implemented the "Project of transforming plastic waste from the paper production process into a new product" Instead of being burned as fuel in an Incinerator or at a boiler. This Project has enabled the reduction of ash sent to landfills, the disposal costs, and alleviated greenhouse gases emissions to the atmosphere. Thanks to FAJAR's expertise and potential for developing and manufacturing, the Company successfully installed the Plastic Recycling Plant, the first machine of SCGP for handling plastic waste with 250 tons/day capacity.



With additional economic benefits of creating new markets as raw materials for other products,



customers and consumers can minimize costs by using them as raw materials in production processes while enhancing a good image of the environmental conservator.

## Circular Supplies

### Maximize Resources Recovery and Product lifetime Extension

"Project B. PiPPER Bottles to be Recycled" was a collaborative project between PiPPER Co.Ltd. and Conimex Co.Ltd. - the plastic container producer in Thailand to encourage consumers to return the Piper bottles recycled after use as raw material (Post-Consumer Recycled Resin (PCR)) in the Conimex production process. The Project's main objective was to conserve the environment and reduce the amount of single-use plastic waste by recycling the plastic pellets obtained from the B.PiPPER Bottle Project to from the new standard PiPPER Packaging. The project participant who sent 5 bottles then received a cloth bag from PiPPER as a reward. This Project is an excellent example of cooperation between producers and consumers to create awareness of the value of leftovers by turning Waste to Value.





### Steps of return the PiPPER Bottles

1. Completely peel off the sticker on the side of the PiPPER bottle;
2. Thoroughly wash the stains inside and collect the bottles in the bag;
3. Clearly specify the sender's name, address, and telephone number.
4. Mail to Conimex Co.Ltd., or drop the bottles at the drop point @UM Tower

### The Step of Packaging - Recycling Process



### Service Solutions

SCGP Recycle is the Service Solutions provided to SCGP partners as a communication channel for accessing the services and information on the proper sorting of waste materials for complete recycling according to the Circular Economy principles. The wastes include paper waste, plastic waste, and other waste materials that can create value if properly managed. SCGP Recycle also provides advice, guidance for development, and improvement to understand handling waste materials correctly and efficiently. SCGP Recycle has coordinated and cooperated with partners to develop the Ecosystem by providing more servicing channels to consumers, the “Drop Points” in various areas that increase consumers' convenience to bring waste materials back for recycling through the Circular Campaign - exchanging waste materials with new products such as A4 copy paper or paper furniture sets given to project participants to pass on to society or communities. In 2021 SCGP Recycle cooperated with governmental and business partners by joining the following activities -The reBOX postal Project of the Thai Post Co., Ltd. for the second time to transform unused boxes/sachets into medical supplies masks, setting up drop points at the 5 PT gas stations to receive waste paper and recycled water bottles, handling waste materials after the events at the BITEC Exhibition and Convention Center, joining Paper recycling Project of Phayathai Hospital Group, Paper Merci Project, Yak, Lak, Rak” of RS Public Company Limited, Recycled Waste Room Project of CW Tower, and Industrial Carton Recycling Project of Delta

Electronics (Thailand) Public Company Limited, etc. In 2021, waste paper materials totaling 561 tons were brought back to the recycling process. And In 2022, SCGP Recycle continues the ongoing projects with partners. In addition, SCGP Recycle also provides recycling waste material (paper and plastic) handling as a storage and delivery service provider by collecting and transporting waste material directly to the recycling plant for business partners such as CP ALL, Lotus, Home Pro, Central JD, Tops, Thai Watsadu, Villa Market, Lazada and Shopee, etc.

Besides, the SCGP Recycle project helped to continue the ambition of green consumers; it could promote the Corporate images of Sustainable Development. The Project could be used as a reference in various standard reports to reflect the intention to improve the residents, employees, and communities quality of life through cooperation to create sustainability for society.



### The Expansion of the Banpong Community Model Project A District of Like ( No Garbage) “Ban Pong Model”

“Ban Pong Model” is a collaborative project of the three sectors, the government, the public, and the private; SCGP, with the first packaging paper factory in Thailand located in Ban Pong District. Rajaburi Province. The factory has consistently supported the Corporate Social Responsibility projects for the factory's communities, including waste management at Ban Rang Plub Community, successfully winning a national award from entering the Zero Waste Community Project contest of the Department of Environmental Quality Promotion in 2019. The highlight of this project is waste management with efficient use of resources and the potential to transfer knowledge to other communities in Ban Pong District aligned with the Ban Pong District's plan of driving waste management throughout the district. SCGP has joined forces with Ban Pong District and the 17 local administrative organizations to expand the success of the waste management project to other communities within Ban Pong District. By specifying “The project of driving the Municipal Waste Management Community Model in Ban Pong District.” to promote waste management knowledge and to study the practical examples from the Ban Rang Plub Community Model covering all 183 communities in the Bang Pong District within the year 2023. In 2021 though, amid the COVID -19 pandemic, SCGP still successfully developed “the Project A District of Like ( No Garbage) “Ban Pong Model” with an additional 17 communities of a total 58 communities since the starting project. SCGP also leveraged the model to other provinces where the SCGP's factories operate in Prachinburi, Kanchanaburi, and Khon Kaen Provinces, totaling 13 communities in 2021.

## DuyTan-Rigid Plastics Manufacturing Corporation in Vietnam (Packaging Recycling Organisation Vietnam: PRO VIETNAM)

PRO VIETNAM is a coalition of leading foreign and Vietnamese companies having high prestige from consumer goods, packaging, retail, and import industries totaling 19 members with common responsibilities; – to make Vietnam Green, Clean, and Beautiful by promoting a Circular Economy model through more accessible and sustainable packaging collection and recycling process in the scope of law enforcement on Extended Producer Responsibility.

PRO VIETNAM was established in Ho Chi Minh City in 2019. Duy Tan joined PRO VIETNAM in 2020 with the shared ambition that “by 2030 all packaging materials that put into the market by PRO VIETNAM members shall be collected for recycling.”

In 2021, Duy Tan arranged a Recycling Plastic factory Visit for PRO VIETNAM members, including Mr. Jahanzeb Khan, PRO VIETNAM Vice Chairman and CEO - Suntory Pepsico, and sponsored gifts to PRO VIETNAM for supporting the prevention of Covid-19 disease for workers in difficulties during Tet festival.

## Collaborative Research Project on Environmental Labeling System for Circular Economy products of University, Public and Private Sectors

The Center of Expertise in Environmentally friendly Business strategy (V Green) of the Faculty of Environment Kasetsart University was the research project leader, in collaboration with the Thai Environment Institute, the Ministry of Industry, the Federation of Thai Industries together with the Public-Private Partnership for Sustainable Plastics and Waste Management (PPP Plastic). They joined to conduct the research project entitled “Development of an Environmental Labeling System for Circular Economy Products, to promote the circularity of materials for driving Thailand's Circular Economy Policy. This Project is funded by the Capital Management and Capital Management Unit to enhance Thailand's Competitiveness in the Circular Economy (DEPC), and the duration is between June 2021 and May 2022.

There was an evaluation of pilot products in 5 industries, namely Agri-Food, Building Material, Plastic, Packaging, Fashion and Lifestyle, for receiving an Environmental Label for Circular Economy Products as qualified companies.

SCGP submitted 5 products to participate in the labeling system project as the followings:

### 1. Paper products Type

1.1 Copy Paper (IDEA Green)

### 2. Packaging Type

2.1 Consumer Paper Bag

2.2 Food Container Made from Natural Pulp (Fest Bio)

2.3 Polymer Packaging – (Mono Material: R1)

2.4 Plastic Bottle from Recycled Plastic (PCR Rigid Packaging)

## CE Standard Certification ISCC PLUS

Visy Packaging Thailand - SCGP was granted the ISCC PLUS certification by International Sustainability and Carbon Certification (ISCC), applicable worldwide to certify organizations with superior carbon and sustainability management throughout the supply chain. Visy Packaging got certified as Converter: manufacturing of rigid plastic food packaging operating under the Circular Economy principles, using recycled plastic pellets as raw material with a clear and transparent system to control every step of production covering processes from acquisition, accepting, storing of raw materials, quantity control, to sales and delivery. The certification ensures that the Company's products contain recycled raw materials, meet high production standards and traceability, control mass balance, achieve high quality that meets customers' expectations for food packaging. And respond to a group of customers keen to adopt the Circular Economy principles for their supply chain.



## Strong ESG value proposition creates an opportunity for business growth



### Sustainability Linked Loan (SLL)

Aim to facilitate and support environmentally and socially sustainable economic activity and growth.

This project is a successful case that enhances the firm determination of SCGP and its subsidiaries, including associates based locally and internationally, to pursue doing the business operation within the ESG framework in line with Circular Economy principles toward sustainable development. According to the outstanding performance, SCGP has built confidence in all stakeholders to strengthen the business to grow continuously and sustainably.

In 2021, for the first time, SCGP signed credit support linked to long-term sustainability operations (Sustainability Linked Loan: SLL) totaling 5,000 million baht for four years from the Bank of Ayudhya, appointed as the Sustainability Coordinator and Sole Lender. The interest rate structure for the four-year loan is linked to SCGP's Sustainability Performance Targets – SPTs).

It can be adjusted lower down annually if SCGP achieves the three specified set targets. The three SPTs are: reducing greenhouse gas emissions, reducing water withdrawal and increasing the sales portion of eco-friendly goods and services with SCG Green Choice Label, Thailand's first self-declared eco brand.

SCGP is the first packaging company in the ASEAN region to receive support for this SLL because of its financial stability, ability to manage the business strictly following the principles of good governance continuously, and as the leading regional packaging company offering total products and services solutions with sustainable business practice.

SCGP's strong ESG value proposition has created an opportunity for business growth and confidence in responsible investing, building economic prosperity for Thailand, and moving further to the region and the rest of the world.

# Pride in 2021



## Sustainability Approaches

SCGP, along with all subsidiaries and associates domestic and overseas, has the policy to operate and follow Sustainability principles by assessing risks and opportunities for improvements at all organizational levels to balance economic, social, and environmental dimensions

### Economic

Create value not exclusively for maximizing profit but also respond to the needs and expectations of all stakeholders. Increase the organizational effectiveness to keep up with the changing situations and support all sectors to operate their businesses regarding sustainability

### Environment

Commit to preserving the environment and conserving natural resources. Reduce resource and energy consumption and use them wisely. Reduce the pollution from the manufacturing processes, and maintain a sustainable ecosystem balance.

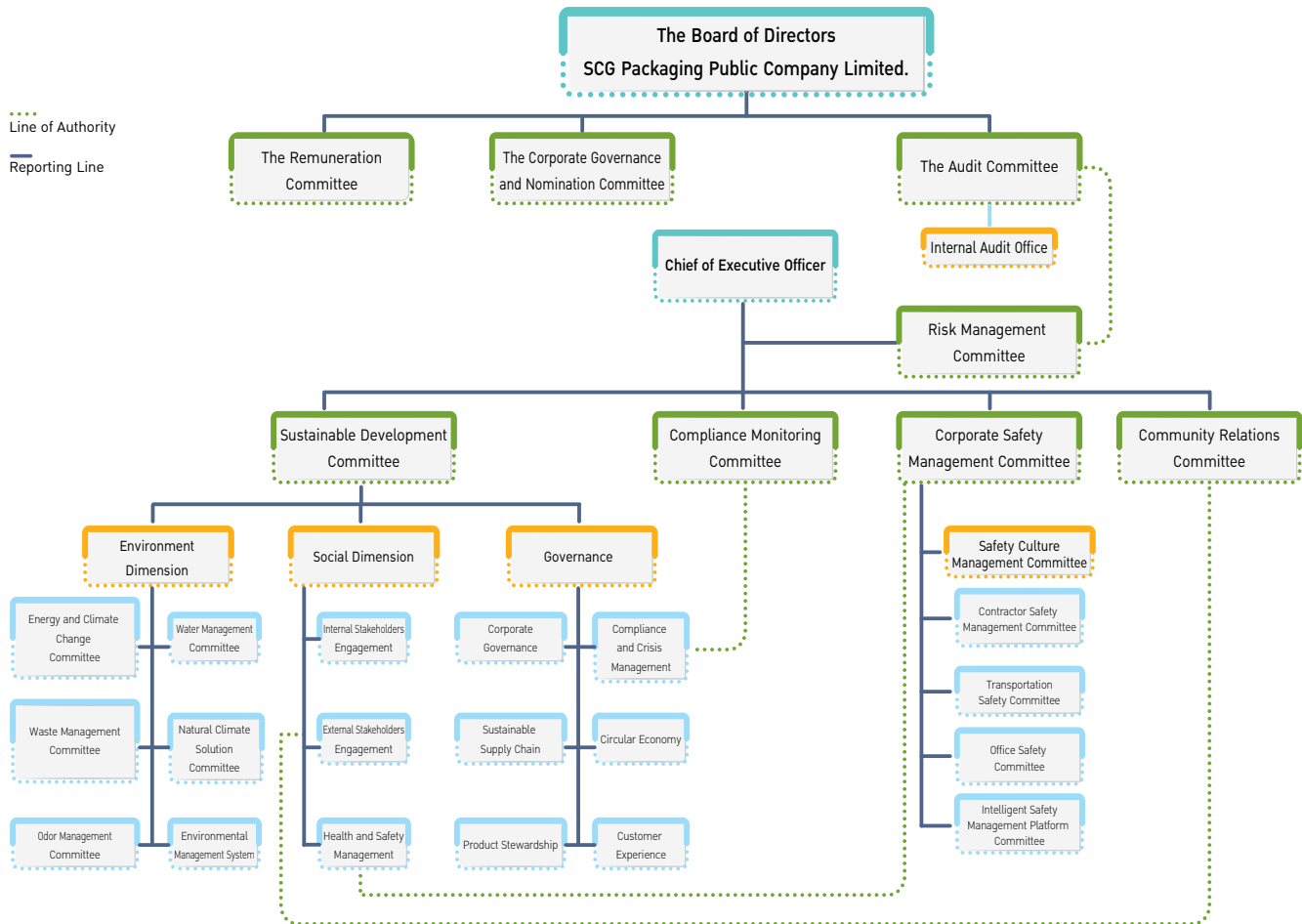
### Society

Conduct business with ethics and concern for social responsibility. Treat employees with fairness and equality. Committed to the highest level of safety at work and contribute to improving the better quality of life where SCGP operates.



## Sustainability Structure

SCGP considers risks and opportunities, needs, and expectations of all stakeholders to obtain data for formulating sustainable business strategies, with a view to the balance of the three dimensions; economic, social, and environment. The Company focuses on developing solutions to meet customers diverse and different needs under the Circular Economy principles and sustainably preserve the environment and ecosystem, promote maximum safety in the workplace, contribute to improving the quality of life and community development, and society where SCGP operates.



## Responsibilities of Sustainable Development Committee - Environment, Social and Good Governance: ESG as follows:

1. Establish policies and governance practices in business operation 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 Sustainable Development both regionally and internationally.
2. Promote, communicate and create ESG awareness to 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 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 the operating results and advice on improvement to the SCG Sustainable Development Management Committee.

# Risk Management



## Risk Management Policy

SCGP has implemented a risk management system in accordance with international standards and integrated into the organization's business operations. The Company's Risk Management Policy is published on the website ([www.scgpackaging.com](http://www.scgpackaging.com))

## Risk Management Framework

SCGP has an Enterprise Risk Management Framework based on the COSO and ISO 31000 to effectively reduce potential risks' likelihood and impact. The Enterprise Risk Management Framework comprises

## Strategy Establishment

SCG defines explicit risk management objectives and risks appetite to ensure consistent risk management practice enterprise-wide by considering short-term (Immediate risks) and medium-term (Intermediate risks) for the Company. Including Strategic risks, investment projects risk, and risks specific to the current situation, such as information technology risks (IT risks).

## Risk Management Process

SCGP has adopted the risk management framework in primary strategic areas; strategic risk management, investment project risk management, and operational risk management. The risk management process attached in The "Risk Management Manual" comprises the 4 steps as follows:

**01**

Risks/Opportunities Identification

**02**

Risk Assessment

**03**

Risk Response includes defining the Key Risk Indicators and Key Performance Indicators, which are the Leading Indicators and Lagging Indicators anticipate risk events and manage risk levels to align with the targets.

**04**

Risk Reporting to the Risk Management Committee before presenting a report to the Audit Committee on a quarterly basis for considering short-term (Immediate risks), medium-term (Intermediate risks) for the Company, and Strategic risks - specific risks to the current situation, such as information technology risks (IT risks).

## Building a Corporate Risk Culture

SCGP recognizes that Corporate Risk Culture is an essential component to risk management success. Therefore, the Company has encouraged a corporate culture in risk management through the following activities:

- Assign top executives to communicate the significance of risk management and be role models in risk management, which includes establishing practical guidelines on the common risk language, risk appetite, and common risk assessment systems
- Assign and accountability of each risk owner
- Encourage each company to include risk management as part of the agenda in major meetings
- Designate risk management as a component of training and development programs for employees
- Encourage experience-sharing across departments and companies to continually communicate risk management benefits.



## Risk Factors Related to Business Operations and Mitigation

In 2021, SCGP assessed risk event and mitigation plan to manage the risks that probably occur as the followings:

- Business interruption from COVID-19 pandemic
- Flood and Drought
- Safety
- Human rights
- Rules and regulatory compliance
- M&P integration risk
- RCP supply tightness
- Global freight disruption
- Higher energy prices
- Foreign exchange risk

*(Please read the Annual Report 2021 on pages 67-73 for a description of impact and mitigation)*

## Emerging Risk

### Climate Change issue from Greenhouse Gas emissions

The Company realizes the critical climate change issue due to greenhouse gas emissions; therefore, it is determined to reduce emissions Greenhouse from the production process. In addition, stakeholders in the chain Supply are also essential in driving the transformation into Low Carbon Business.

## Mitigation

- Target Net-Zero mitigation by 2050.
- Reduce dependence on fossil fuels and increase the proportion of renewable energy usages such as Biomass Fuel and Clean Energy.
- Plant and restore terrestrial forest areas.
- Study the Carbon Dioxide Capture and Sequestration Technology
- Conduct research, develop technology and create energy management innovation to improve or modify production processes and equipment for greater energy efficiency.
- Develop products, services, and solutions by adding properties for packaging to be recycled, reused, or recyclable to reduce greenhouse gas emissions throughout the value chain.
- Adjust investment criteria (M&P) in consideration of Greenhouse gas emissions aligning with the Company's goals

## Environmental pollution and Risk of Transitioning to the Circular Economy

Today's consumers tend to be more aware of the environmental impacts with the more sustainable concepts. Also, Governments in many countries have more stringent waste management controls. Suppose any company has no recycling technology or environmentally friendly products that can be efficiently recyclable; it may be affected by declining consumer demand or strict government regulations that significantly affect the business and operating results.

## Mitigation

- Set the target to increase the proportion of recyclable, recyclable or compostable polymer packaging sales revenue to approximately 100 percent of the total polymer packaging sales revenue by 2025
- Develop innovative products and solutions that reduce resource consumption or promote recycling following the Circular Economy principles.
- Conduct a plastic storage process through the SCGP Recycle Drop Point Project to complete the cycle.

## Cyber Security

The Company applies information technology to achieve business operations efficiency, including employees working in the Hybrid Workplace. Thus, the Company faces increasing security risks associated with Cyber Security in the Information technology system in various forms that may cause data leakage, loss, or further disruption, resulting in the company's operational and reputational risks.

## Mitigation

- Implemented and complied with the SCGP e – Policy.
- Installed additional cyber security equipment.
- Conducted the Disaster Recovery system Plan (DRP) - Drills
- Prepared a Cyber Incident Response Plan.





## Sensitivity Analysis

### Simulation of the case the amount of Carbon - offset compared to the 2050 target

The Company set a target of Net-Zero by 2050 and simulated Carbon Costs that might occur in the future with the ability to reduce greenhouse gas emissions in 2 scenarios as follows:

Scenario	Effects on Carbon Cost	Effects on additional cost due to Risk Measures
1. Business operation as the base year without Risk Measures	approximately 30 billion baht	approximately 0 baht
2. Business operation as the base year with Risk Measures	approximately 0 baht	approximately 15 billion baht

### Simulation Cases of the Effects on Drought Crisis

The Company has Pulp and Paper facilities in the Northeastern region, which is more likely affected by severe drought than other regions in Thailand. Therefore, there might be a risk that the Company's production process could be interrupted if the water reservoir in the Ubol Ratana Dam in 2021 decreased under the 3 simulation scenarios as follows:

Scenario	Effect
1. Amount of water reservoir decreased by 10% from the target	No effect on business operation
2. Amount of water reservoir decreased by 30% from the target	No effect on business operation
3. Amount of water reservoir decreased by 50% from the target	Affect on business operation without production stoppage.

### Simulation of the Case of the Effects from the Exchange rate

As of December 31, 2021, SCGP had loans in US Dollar currency of around 130 million USD\*. The Company simulated the effects of exchange rate fluctuations that might affect gain or loss from the exchange rate under the 2 simulation scenarios as follows

Scenario	Effect
1. Thai Baht strengthened by 1 baht against the US dollar.	<ul style="list-style-type: none"> <li>Baht appreciation: Gain from the foreign exchange 130 million baht</li> </ul>
2. Thai Baht weakened by 1 baht against the US dollar.	<ul style="list-style-type: none"> <li>Baht depreciation: Loss on the foreign exchange 130 million baht</li> </ul>

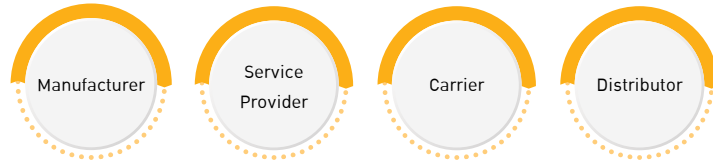
\* Indicate only the effect of the exchange rate of the loan in the US Dollar from the external currency institutions as of December 31, 2021, excluding internal foreign currency loans within the business group.



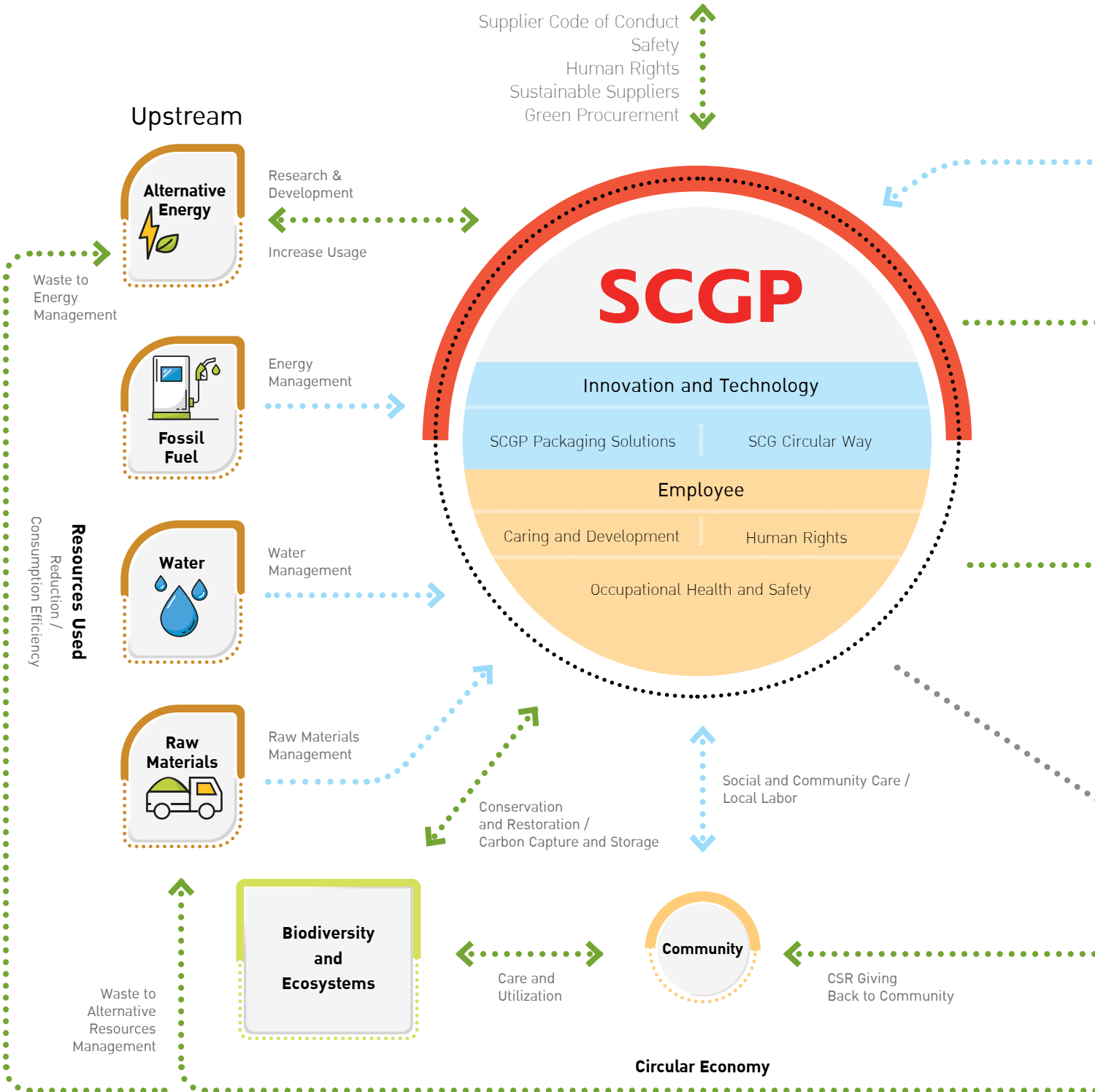
Stakeholders
Products and Services
Ecosystems
Resources
Waste



Suppliers/Contractors



- Supplier Code of Conduct
- Safety
- Human Rights
- Sustainable Suppliers
- Green Procurement



Upstream

**Alternative Energy**

Research & Development  
 Increase Usage

**Fossil Fuel**

Energy Management

**Water**

Water Management

**Raw Materials**

Raw Materials Management

Resources Used  
 Reduction /  
 Consumption Efficiency

**Biodiversity and Ecosystems**

Care and Utilization

**Community**

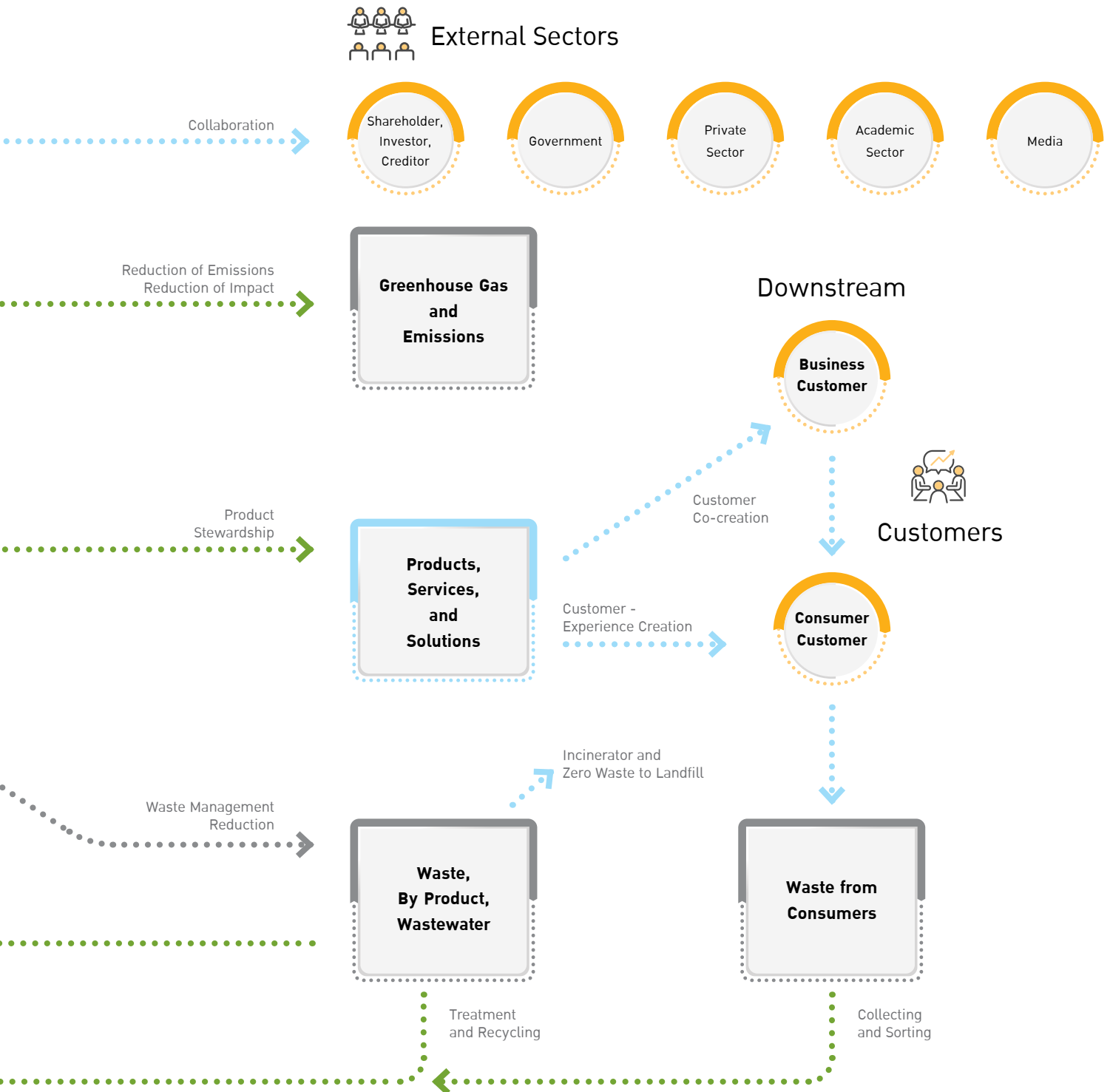
CSR Giving Back to Community

Circular Economy

## Sustainable Value Chain

SCGP incorporates Circular Economy principles throughout the Company’s value chain, from product design, procurement, manufacturing, sales and distribution, usage up to resource recovery. We maximize the unitization of limited energy and resources such as reducing the use, reuse, and recycling to the production process as new raw materials and renewable energy fuel with the least residual disposal.

SCGP offers products, services, and solutions to reduce greenhouse gas emissions, energy consumption, and waste with a longer product lifetime. We also take care of our factory’s communities and all stakeholders, creating various social projects, including campaigning activities to raise environmental conservation awareness and coordinating with all sectors, including the public, private, and public sectors, for sustainable social development.



## Stakeholders Analysis and Engagement in the Business value chain

SCGP categorizes stakeholders into 12 groups, namely shareholder, investor, creditor, employee, customer, supplier, contractor, community, government sector, mass media, civil society/ academic/ thought leader and competitor. 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.

The Analysis of stakeholder expectations in 2021

Stakeholder Group	Key concerns & Expectations	Participation Approach	Example of outcomes	Action	Page
1. Shareholders, investors, creditors	<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 (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 2021</li> <li>Sustainable Development Report 2021</li> </ul>	
2. Employees	<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 satisfaction 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>Achieving the business goals amid COVID 19 crisis</li> <li>Corporate Governance</li> <li>Health and Safety</li> <li>Employee Caring and Haman Capital Development</li> <li>Human Rights</li> </ul>	17-18 39-42 48-51 63-64 65-68
3. Customers	<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 satisfaction 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>Innovations for Sustainability</li> <li>Total Packaging solution</li> <li>Achieving the business goals amid COVID 19 crisis</li> <li>Circular Economy</li> <li>Corporate Governance</li> <li>Product Stewardship</li> <li>Customer Relation Management</li> </ul>	8-9 10-11 17-18 19-22 39-42 43-45 46-47
4. Suppliers, contractors	<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 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>Corporate Governance</li> <li>Health and Safety</li> <li>Supply Chain Stewardship</li> <li>Human Rights</li> </ul>	39-42 48-51 61-62 65-68

Stakeholder Group	Key concerns & Expectations	Participation Approach	Example of outcomes	Action	Page
5. Communities	<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 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 and co-develop the projects that enhance the community's competence for society's benefit</li> </ul>	<ul style="list-style-type: none"> <li>Circular Economy</li> <li>Water Stewardship</li> <li>Forestry and Biodiversity</li> <li>Human Rights</li> <li>Community Engagement and Development</li> <li>Environmental Management</li> </ul>	<p>19-22 56-58 59-60</p> <p>65-68 69-72</p> <p>73-76</p>
6. Government	<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 sustainable development</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 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>Achieving the business goals amid COVID 19 crisis</li> <li>Circular Economy</li> <li>Water Stewardship</li> <li>Community Engagement and Development</li> <li>Sustainable Development Report 2021</li> </ul>	<p>17-18</p> <p>19-22 56-58 69-72</p>
7. Mass Media	<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>Sustainable Development Report 2021</li> </ul>	
8. Civil Society/ Academics/ Thought Leaders	<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 sustainable development</li> <li>Join forces with large corporations to make significant changes for sustainability</li> <li>Cooperate with government agencies and present practical guidelines for Sustainable Development</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 and utilize knowledge from experts to support collaborative projects</li> </ul>	<ul style="list-style-type: none"> <li>Community Engagement and Development</li> </ul>	69-72
9. Competitor	<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>Sustainable Development Report 2021</li> </ul>	

## Materiality

SCGP manages its sustainability by collecting and prioritizing issues in accordance with the Global Reporting Initiative (GRI) standards. At the same time, the Company employs stakeholder engagement to prioritize the materiality of the issues to be implemented.

### 01 Collect and Identify Sustainability Issues

- Collect information on sustainability issues from peers, thought leader organizations, and corporate business strategies.
- Conduct stakeholders' internal and external engagement to formulate sustainability issues.

### 03 Review and Validate

Organize workshops for Executives to review and validate the prioritized materiality issues with the participation of the Chief Executive Officer and high-ranking executives to mutually agree and approve.



### 02 Materiality Assessment for Prioritization

Organize workshops for prioritizing sustainability Issues

### 04 Communicate Materiality Issues to All Stakeholders

Communicate the results of prioritized materiality issues to executives and employees of all functions to realize the importance and the approach to manage each materiality issue.

In 2021 SCGP still prioritized the Materiality issues into 3 levels as follows:

## Materiality Issues Management

- I. Key Risk and Capturing Future Value Issues
  - II. Issues that drive sustainable development (Enabler)
  - III. Issues that are fundamental to sustainable business operation (Business Fundamental)
- Without any Change in the Key Risk and Capturing Future Value Issues



### Key Risk and Capturing Future Value

- Corporate Governance
- Product Stewardship
- Circular Economy
- Customer Experience
- Health and Safety



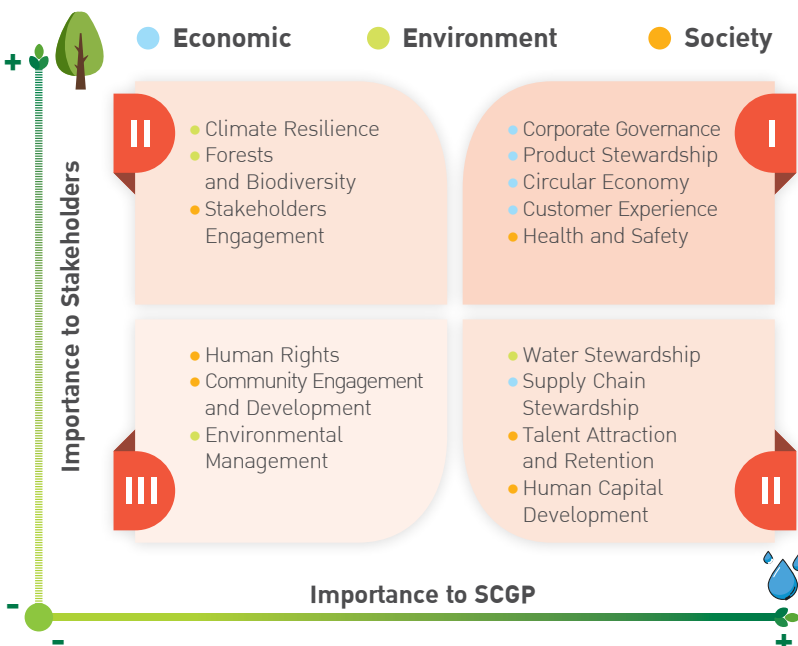
### Enabler

- Climate Resilience
- Water Stewardship
- Forests and Biodiversity
- Supply Chain Stewardship
- Human Capital Development



### Business Fundamental

- Human Rights
- Community Engagement and Development
- Environmental Management



## Sustainable Development goals

SCGP operates the business following the Sustainable Development principle and establishes a business policy within the sustainability framework with clear policies, practices, and guidelines for achieving the Sustainable Development Goals (SDGs). The Company also strives to balance triple bottom lines; economic, environmental, and social aspects. The ultimate goal is to enable businesses and stakeholders to achieve their expectations both in the short-term and long-term goals. These are encouraged by Improving efficiency throughout the supply chain, using energy efficiently, reducing waste emissions to create a better quality of life, in line with the Circular Economy principles.

### SCGP business operations are committed to achieving 14 Sustainable Development Goals-SDGs



#### No Poverty

End poverty in all its forms everywhere.



#### Industry, Innovation, and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.



#### Good Health and Well-being

Ensure healthy lives and promote well-being for all at all ages.



#### Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient, and sustainable.



#### Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



#### Responsible Consumption and Production

Ensure sustainable consumption and production patterns.



#### Gender Equality

Achieve gender equality and empower all women and girls.



#### Climate Action

Take urgent action to combat climate change and its impacts.



#### Clean water Management and Sanitation

Ensure the availability and Sustainable Management of water and sanitation for all.



#### Life on Land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss.



#### Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all.



#### Peace, justice, and strong institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.



#### Decent Work and Economic Growth

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.



#### Partnerships for the Goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development

Source: <http://www.un.or.th/globalgoals/th/the-goals>

## ESG Materiality Issues and Stakeholders

SCGP has 15 ESG materiality issues that involve 9 groups of Stakeholders which can be responded to the 17 United Nations Sustainable Development Goals, (SDGs)

ESG Materiality	GRI Aspect	Impact Boundary										SDGs
		Internal Sectors		External Sectors								
		SCGP	Employee	Shareholder/ Investor/ Creditor	Supplier/ Contractor	Customer	Community	Government	Media	Civil Society/ Academic/ Opinion Leader	Competitor	
<b>Corporate Governance</b> Scope of ESG Sustainability risks and opportunities • Good Ethics • Anti - Corruption • Complainants/Whistle Blower • Risk and Crisis Management Capital Value • Ethics and Integrity Transparency	• GRI 102 General Disclose (3 Ethic and Integrity, 4 Governance)	●	●	●		●	●	●			●	
<b>Health &amp; Safety</b> Scope of ESG Sustainability risks and opportunities • Employee Health - care during the COVID-19 Pandemic • Adjust the way of working • Caring for Business Partners, Customers, and Communities Capital Value • Health and Well-being of Employees, Business Partners, Customers, and Communities	• GRI 403: Occupational Health and Safety*	●	●		●	●	●					 
<b>Product and Service Stewardship</b> Scope of ESG Sustainability risks and opportunities • Sustainable Product Development according to Sustainable Development guidelines • Product Development following Life Cycle Assessment guidelines. • Product Quality and Safety Capital Value • Products with an ease of use, durable, safe and environmentally friendly. • Respond to the customers' and consumers' needs.	-	●	●			●						   
<b>Customer Experience</b> Scope of ESG Sustainability risks and opportunities • Develop technologies and solutions to meet customer needs • Comprehensive services • Communication with customers Capital Value • Respond to customer and consumer needs	• GRI 102 (5. Stakeholder Engagement)	●	●	●	●							
<b>Stakeholders Engagement</b> Scope of ESG Sustainability risks and opportunities • Conduct and develop business under ESG guidelines • Stakeholder expectations and concerns • Communication with stakeholders Capital Value • Confidence from stakeholders	• GRI 102 (5. Stakeholder Engagement)	●	●	●	●	●	●	●	●	●	●	
<b>Circular Economy</b> Scope of ESG Sustainability risks and opportunities • Co-operations with the supply chains • Product development following to the Circular Economy principles • Apply innovations following to the Circular Economy principles Capital Values • Sustainable business operations following the Circular Economy principles	• GRI 201: Economic Performance	●		●		●	●			●		   
<b>Environmental Management</b> Scope of ESG Sustainability risks and opportunities • Pollution management from business operations • Prevention of complaints from communities Capital Value • Good environmental quality within the plants and surrounding communities • Sustainable coexistence with communities	• GRI 305: Emission (305-7 Nitrogen Oxides (NO <sub>x</sub> ), Sulfur Oxides (SO <sub>x</sub> ), and other significant air emissions) • GRI 306: Effluents and Waste	●	●	●		●	●			●		   



ESG Materiality	GRI Aspect	Impact Boundary										SDGs	
		Internal Sectors		External Sectors									
		SCGP	Employee	Shareholder/ Investor/ Creditor	Supplier/ Contractor	Customer	Community	Government	Media	Civil Society/ Academic/ Opinion Leader	Competitor		
<b>Supply Chain Stewardship</b> Scope of ESG Sustainability risks and opportunities • Sustainable sourcing operations • Developing employees and business partners to operate together in a sustainable manner Capital Value • Actions with sustainable business partners	• GRI 102-9 Supply Chain	●			●	●							
<b>Human Capital Development</b> Scope of ESG Sustainability risks and opportunities • Employee development for knowledge and capabilities Capital values • Employees are knowledgeable, versatile, and work efficiently.	• GRI 102 General Disclose (102-8 Information on employees and other workers) • GRI 404 Training and Education	●	●		●	●							
<b>Community Engagement and Development</b> Scope of ESG Sustainability risks and opportunities • Community satisfaction • Community support for sustainability Capital Value • Sustainable coexistence with communities	• GRI 413: Local Communities	●					●				●		
<b>Water Stewardship</b> Scope of ESG Sustainability risks and opportunities • Manage water efficiently and sustainably • Manage risks with global tools Capital Value • Water efficiency	• GRI 303: Water*	●	●				●	●					
<b>Climate Resilience</b> Scope of ESG Sustainability risks and opportunities • Increase the share of alternative energy and renewable energy • Improve machinery efficiency • Develop products that emit less greenhouse gas • Create opportunities for trade competition • Use economic tools to reduce greenhouse gas emissions • Planting forests to absorb greenhouse gases Capital Value • Use energy efficiently • Reduce greenhouse gas emissions from business operations	• GRI 305: Emissions • GRI 302: Energy	●		●		●	●	●			●		
<b>Human Rights</b> Scope of ESG Sustainability risks and opportunities • Implementing international laws and practices • Comprehensive management of human rights risks Capital Value • Improving the quality of life by creating sustainable shared values for Stake holders and Society	• GRI 412: Human Rights Assessment	●	●		●	●	●						
<b>Talent Attraction and Retention</b> Scope of ESG Sustainability risks and opportunities • Build employee engagement • Human Resource Management - Adjustment Capital Value • Be an organization of values and caring for employees • Employees are committed to the organization.	• GRI 404: Training and Education	●	●	●		●							
<b>Forestry and Biodiversity</b> Scope of ESG Sustainability risks and opportunities • Sustainable biodiversity management • Sustainable forest management Capital Value • Biodiversity and ecosystem conservation areas • Economic forest plantations certified to the Sustainable Forest Management Standard (FSC).	• GRI 304: Biodiversity	●		●		●	●				●		

\*GRI Standards 2018

# Materiality Issue Management



# Sustainability in Actions



SCGP by the Board of Directors has determined the Corporate Governance Policy as a part of the business policy and appointed the Corporate Governance and Nomination Committee to oversee the Company's Corporate Governance. The Company has adopted the Corporate Governance Code (GC Code) of the Securities and Exchange Commission for Listed Companies in 2017 for sustainable benefits and value creation. The Board of Directors sets an agenda for reviewing the SCGP's Charter and Corporate Governance Policy at least once a year.

## Target

**01**

Disseminate and communicate the understanding of the SCG Packaging's Code of Conduct within all SCGP's companies.

**02**

No corruption.

**03**

Receive an excellent rating (5 stars) from the Corporate Governance Survey of Listed Companies (CGR Checklist) for the year 2021.

## Performance 2021

**01**

Disseminated and communicated the understanding of the SCG Packaging Code of Conduct to all SCGP's companies through the Company's website.

**02**

Zero - Violation of the Anti-Corruption Policy

**03**

Received an excellent rating (5 stars) from the assessment of the Corporate Governance Survey of Listed Companies for the year 2021 (CGR Checklist) by the Thai Institute of Directors Association (IOD), received SET Awards 2021 in

- 1) Sustainability Excellence Award in the Rising Star Sustainability Awards category
- 2) Business Excellence Award in the Best Deal of the Year Awards category by the Stock Exchange of Thailand

and received an evaluation score of 100 total points from the assessment of the Quality of the Annual General Meeting of Shareholders for the year 2021 (AGM Checklist) by the Thai Investors Association.

## Strategy



**01**

Establish Corporate Governance Policy and Practices to be consistent in the same direction throughout the organization.

**02**

Regularly review Corporate Governance Policies and Practices aligning with business strategies and adjust them at least once a year.

**03**

Communicate and encourage Employees and Business Partners to gain awareness and seriously comply with the Corporate Governance Policy and Practices, SCGP Packaging Code of Conduct, and Supplier Code of Conduct.

**04**

Supervise and monitor the implementation of Corporate Governance Policy and Practices throughout the organization.



## Significant Changes and Developments in Corporate Governance Policies, Practices, and Systems in 2021



### 01

The Board of Directors reviewed the application of the CG Code to SCGP and assessed the Board's performance in accordance with the CG Code. The results of the Board's performance evaluation following the CG Code in all 8 areas scored more than 90 percent of the Company's designated as a benchmark, ensuring that the Board of directors understood the CG Code and Practices to create sustainable value for the business.

### 02

The Board of Directors approved additional Corporate Governance Policy and Practices to align with the increasingly complex and diversified business operations and the broader presence of the overseas business as follows:

- Intellectual Property Policy
- Tax Policy
- Diversity and Inclusion Policy
- Guidelines in case Directors of the Company may have conflicts of interest; and
- Guidelines for developing the performance of the Board of Directors

### 03

The Board of Directors reviewed and approved the Corporate Governance Policy amendment as proposed by the Governance and Nomination Committee as follows:

- SCG Packaging's Code of Conduct
- SCG Packaging's Corporate Governance Structure
- Charter of The Board of Directors and 3 sub-committees
- Charter of Audit Office
- Policy on the determination of qualifications and nomination of Company's Directors
- Anti-Corruption Policy
- Conflict of Interest Prevention Policy
- Human Rights policy; and
- Performance evaluation form of the Board of Directors and sub-committees

### 04

The Company promoted granting other rights to shareholders other than voting rights, such as giving shareholders the right to submit questions in advance of the 2021 AGM and facilitating shareholders, including institutional investors attending the Meeting both in person and by proxy, including giving shareholders the right to propose meeting agendas and nominate suitable persons to be directors in advance for the 2022 Annual General Meeting of Shareholders.

### 05

The Company provided communication channels for the Company's information greater than last year by disclosing the Annual Report on the Company website and the Stock Exchange of Thailand's website. Including communication with Institutional investors, Retail/Individual investors, shareholders, analysts, and relevant government agencies in equal and fair conduct by telephone, e-mail, and both online and offline meetings,

### 06

SCGP's business growth made transactions complex and diverse with more business abroad; therefore, the Company conducted the Corporate Governance Survey on knowledge and understanding about its subsidiaries' policies, practices, and current Corporate Governance system. The survey was to explore the knowledge and understanding of each Company about the current Corporate Governance System and planned to increase such knowledge and understanding for ensuring that the subsidiaries understood SCGP's Corporate Governance Principles.

### 07

The Company had oversight on information technology, information security, and communication network systems by the following actions:

- Appointed the representatives to join the Parent Company's IT Governance Working - Group to set policies and regulations on the use of information technology and communication the e-Policy with reference to ISO/IEC27001.
- Prepared documented guidelines for internal control audit/security of information systems and developed IT audits in taking cyber security risks into account.
- Assessed the internal control points of Information Security with reference to ISO27001 for Merger & Partnership (M&P) companies.
- Set the requirement of employees' testing knowledge on e-Policy and passing with 100% correct.
- Reviewed and adjusted audit strategies aligning with the COVID -19 crisis and risks under the New Normal situation by using Machine Learning (ML), Robotics Process Automation (RPA), and Data Analytics (DA)

## Follow-up for ensuring compliance with Corporate Governance Policies and Practices

The Company strictly followed the SCG Packaging's Corporate Governance Manual to be applied in actual actions. Especially the matters that the Board of Directors had resolved to the amendments or additions in 2021, and followed up for ensuring the compliance with Corporate Governance in the following 4 issues:

- Prevention of conflicts of interest
- Using Inside Information for Exploitation
- Anti-Corruption
- Whistleblowing



# Anti Corruption

After SCGP announced the intention to join Thailand's Private Sector Collective Action Against Corruption (CAC) on December 1, 2020, the Company applied for a CAC - certification in 2021, with the outcomes as follows:



Reviewed and improved Anti-corruption Policy and the SCG Packaging's Code of Conduct



The Chief Executive Officer communicated to the management team and all employees to comply with and understand the Anti-Corruption Policy, SCG Packaging's Code of Conduct, relevant Rules, and Regulations.



Organized training in various courses and arranged the knowledge testing on Understanding of SCG Packaging Code of Conduct and Anti-Corruption Policy so-called the "Ethics e-Testing" conducted consecutively for the 7th year. All Thai employees are required to pass the test by 100%.



Prepared Anti-Corruption Compliance Checklist, Manual on Corruption Investigation, and organized seminars and workshops for high-risk sections



Disseminate anti-corruption concepts to suppliers, and



Set up a system for receiving complaints and reporting clues. (Whistleblowing)

# “ Whistleblowing ”

The Company has a mechanism for receiving complaints and taking action in the issues with clues about illegal activities, violations of Rules, Code of Conduct, or behavior that may imply corruption of the Company’s personnel for employees and outsiders with appropriate measures whistleblowers protected. According to the policy for receiving complaints of corruption and wrongdoing by providing various channels for receiving complaints at any time and through multiple channels; websites in both Thai and English, verbal, e-mail, and letters, still maintaining the confidentiality and protecting complainants.



Reporting a violation	Number of complaints (subject)	
	2020	2021
Total number of complaints	10	8
The number of investigated complaints.	11 <small>(including one complaint of the year 2019)</small>	7
Investigated Complaints by types		
1. Violation of Unethical Conducts.		
1.1 Conflict of Interest	0	1
1.2 Corruption	0	0
1.3 Human Rights - Violation	0	0
1.4 Antitrust - Violation	0	0
1.5 Use of Insider Information	0	0
1.6 Other	0	0
2. Failure to comply with company rules/ lack of good management	1	2
3. Not in accordance with the complaint	10	4

## Corporate Tax Management

SCGP is well aware of transparency in tax processing for ensuring fair business conduct adhering to social responsibility and all stakeholders by complying with the laws in each country. Therefore, the Company has the Board of Directors supervise and approve tax policy before issuing an organization-wide enforcement measure covering all countries where SCGP has business to ensure that the Company’s tax process fully complies with applicable laws and regulations.



**For more information**  
on SCGP - Tax Policy

# Product Stewardship



## Target

Sales Revenue of products, services and solutions with the SCG Green Choice Label is

**66.7%** of total sales revenue by **2030**

Sales Revenue of products, services and solutions, provide directly value for customers with the SCG Green Choice Label is

**33.3%** of total sales revenue by **2030**

## Performance 2021

Sales Revenue of products, services and solutions with the SCG Green Choice Label was

**45%** of total sales revenue.

Sales Revenue of products, services and solutions, provide directly value for customers with the SCG Green Choice was

**13%** of total sales revenue.

SCGP integrates the Product and Service Safety Policy as part of the Quality Management System, following its responsibility for damage caused by the unsafe product (Product Liability). The effectiveness of the implementation through the quality management system reviewed by the Committee of each company which covers from Product Hazard Analysis (PHA) at every stage from product manufacturing, transportation, storage, use, and end-of-use, leading to deficiencies prevention planning from the design, manufacture, and preparation of warning labels according to international standards to be more effective. As well as provide response measures in analyzing management, Investigating complaints and emergencies to rehearse the readiness to deal with actual complaints and emergencies. It also includes knowledge and training to related parties regularly and assessing operation effectiveness through continuous internal and external audits of the ISO 9001 system. As a result, in the year 2021, there were no significant complaints of health and safety violations both from the use of consumer products, product, and service information on product labels or advertising materials from consumers, also no fines cases from non-compliance with laws related to the use of SCGP products and services.

## Challenges in 2021



### Risk

- Consumers were increasingly aware of the sustainability concept. They tended to use environmentally friendly packaging, including reducing packaging materials and production methods harmful to the environment.
- Consumers turned to brands that offered more value and direct purpose.
- Online shopping and food delivery raised concerns among consumers about their environmental impact.



### Opportunity

- Developed and designed quality products, safe, easy to use, durable, reusable, easy to recycle, environmentally friendly, including enhanced the organization's capability to become a leader in the expertise of the packaging industry with creativity and continually developing innovations.
- Created new business opportunities in an increasingly competitive market situation.



### Management Approach

- Used innovation and digital technology to product development operations and reduce costs.
- Adopted the Circular Economy principles for maximizing resource utilization for reducing energy, water, and waste.
- Reviewed the Capital Expenditures in developing products, services, and solutions to create rapid change.
- Implemented the Eco-Design concept from the design stage, production process, packing, safe use until waste minimization or recycling.



# Strategy

## 01

Adopted the innovation-oriented approach in developing products, services, and solutions that meet consumers' needs, enhance well-being, take the impact of climate change, the Circular Economy principles, and generate new business opportunities into account.

## 02

Developed business processes throughout the value chain compliant with international standards.

## 03

Considered the impact of products, services, and solutions on the environment and product safety throughout its life cycle.

## 04

Focused on products, services and solutions which directly benefit to customer.

### SCG Green Choice

“**Environmental label**” is a mechanism for communicating and indicating the environmental friendliness of products to consumers. It is a label given to a quality product with a lower environmental impact than a product that performs the same function. The information enhances consumers to know the product’s environmentally friendly value. And they can choose to buy goods and services that reduce the environmental impact caused by their own resources consumption.

*(refer to <https://www.thaitextile.org/th/insign/detail.270.1.0.html>).*

Environmental labeling is a “voluntary” and “Caring” of entrepreneurs themselves due to no law enforcement. Still, the product must pass the criteria for assessing whether it is environmentally friendly or not and how.

SCG Green Choice is a type 2- Environmental Label that the manufacturer, distributor, or exporter indicates its environmental friendliness or shows the ecological value of the product by Self-declared Environmental Claims according to ISO 14021.

Receiving the SCG Green Choice Label, the products, services, and solutions must have better environmental properties than conventional products. And meet at least one of 15 criteria of SCG Green Choice as follows:- Reduce Resource Use, Renewable Energy, Reduce Water Consumption, Friendly to Health or Hygiene, Extended Life Product, Greenhouse Gas Reduction, Reusable or Refillable, decomposition of organic matter (Compostable), etc.



SCGP is committed to developing products, services, and solutions certified with the SCG Green Choice Label for higher revenues from sales with the target: “By 2030, the Proportion of sales Revenue from Products, Services, and Solutions received the SCG Green Choice Label must be two-thirds equivalent to 66.7% of total sales revenue.” The example of products certified with the SCG Green Choice Label are as follows:

## 01

### Bleached Eucalyptus Pulp and Dissolving Pulp

“Bleached Eucalyptus Pulp production reduces the use of water withdrawal at least 7%” received the SCG Green Choice Label, Indirect Type - “Reduce water consumption.”

## 02

### Offset BM Plus Paper and White Card PRO Paper

“Offset BM Plus Paper production reduces the use of water withdrawal at least 20%, and” White Card PRO Paper products at least 20%” received the SCG Green Choice Label, Indirect Type - “Reduce Water Consumption.”

## 03

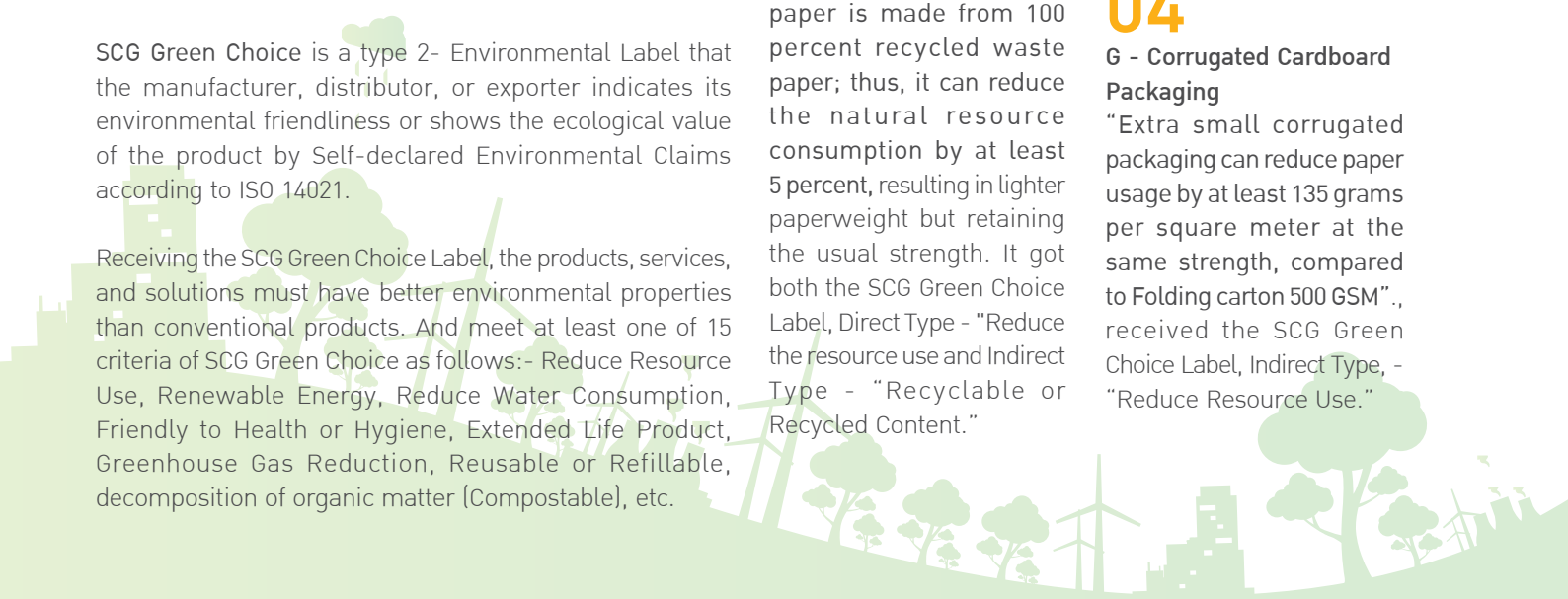
### TS box surface paper (TS – Kraft Liner)

“TS box surface packaging paper is made from 100 percent recycled waste paper; thus, it can reduce the natural resource consumption by at least 5 percent, resulting in lighter paperweight but retaining the usual strength. It got both the SCG Green Choice Label, Direct Type - “Reduce the resource use and Indirect Type - “Recyclable or Recycled Content.”

## 04

### G - Corrugated Cardboard Packaging

“Extra small corrugated packaging can reduce paper usage by at least 135 grams per square meter at the same strength, compared to Folding carton 500 GSM”., received the SCG Green Choice Label, Indirect Type, - “Reduce Resource Use.”







## 05

### Honeycomb Paper

“Its function is for backing products or an additional sheet to reduce the vacant space in the package. It can reduce paper use per volume by at least 30%”, received the SCG Green Choice Label, Direct Type, - “Reduce Resource Use.”

## 06

### Green Carton Packaging

“The Green Carton packaging is made from corrugated cardboard that uses less than 25 grams of reduced resources per square meter while maintaining the same strength”. It received the SCG Green Choice Label, Indirect Type, - “Reduce Resource Use.”

## 07

### Retort Food preservation Packaging

Visy Packaging (Thailand) Ltd., SCGP's subsidiary, has manufactured “ the Retort food preservation packaging that can maintain food quality at room temperature\* for at least one year and also helps prevent the penetration of external chemicals into food - Health-friendly.” It received the SCG Green Choice Label, Direct Type – “Health or Hygiene” and “Extended Life Product.”

*\* Room temperature ranges 20 to 250 C*

Products, Services, Solutions certified the  
“Environmental friendliness.”

SCG Green Choice -  
Environmental Label Type 2

**44** items

Green label -Environmental label Type 1

**30** items



# Customer Relation Management



## Target



**100%**  
of Total Customer Satisfaction

## Performance 2021



**80%**  
of Total Customer Satisfaction\*

## Customer Relation Management

SCGP proactively works and quickly manages customer relations by implementing a Customer-centric strategy by working closely with customers, clearly understanding their problems, increasing capability to develop innovations to offer solutions that meet each customer’s unique needs. In addition, to the ever-changing consumer behavior with diverse requirements, SCGP provides the total solutions for their convenience and creates good customer- experiences with creativity.

## Strategy

**01** Foster B2B collaboration, leading to stronger (B2B2C).

**02** Engage with the Consumer Group (B2C).



## Risk and Opportunity in 2021

SCGP had consistently provided customer services throughout the COVID-19 pandemic by increasing the hygienic measures to ensure safety for customers, employees, and business partners, such as spraying alcohol on products, 100% of employees and transportation contractors taking ATK tests, Bubble and Seal measure in the factory for ensuring SCGP products delivery to customers continuously.


In the view of responding to customers’ requirements due to the rising demand for hygienic products and online purchases, SCGP had made adjustments through product development, such as packaging in medical products, food packaging (Food Contacted grade - paper), and offering food packaging for serving the groups with increased demand such as the group of Taking - away, Delivery, and Hospital.

In addition, SCGP upgraded customer service by delivering thermometers and alcohol spray to customers and supported SCGP paper field bed – a social innovation made from 100% recycled paper to help COVID-19 patients and medical personnel. As well as supported photocopying paper to 22 vaccination service points, delivering Fest Food Safety Packaging to hospitals, field hospitals, and 16 COVID - patient care agencies across the country.

Due to the shipping crisis, SCGP continually increased the flexibility in shipping products to export customers.

In the case of the container and shipping crisis, the Company closely coordinated with customers to adjust the INCOTERM according to the situation and limitations of shipping lines in each country.

SCGP uses digital technology to create convenient services for customers, increase work efficiency, service speed, and reduce human error. The highlight works in 2021 are the followings:

**Domestic customer service Highlights:** 


- Used a CRM (Customer Relationship Management) system to record the essential customer information that is up-to-date and connected to customers' needs in many dimensions to offer products and services beyond customer expectations.
- Developed automation in prompt informing of customers-order-status when needed to increase the convenience and speed of data transmission and reduce repetitive work processes and time.

**Transportation Highlights:** 

- Developed an application platform for real-time tracking customer delivery status using GPS technology through mobile devices. Also, extend the management of electronic documents in goods delivery (e-POD) to reduce various transaction processes for customers processing faster and more conveniently. It is expectingly completed by early 2022.
- Organized the screening process of COVID-19 every 14 days for 100% of all truck drivers following the Control and Disease Prevention Measures to increase customer confidence of SCGP's truck drivers that have no risk of infection spreading to customers.

**Retail Highlights:** 

- Invenik Co., Ltd. has started selling Almind, Hollis products on Facebook, e-marketplace including Shopee, Lazada, NocNoc, SCGHome, and distributed to modern trade retailers such as Office Mate so that consumers can access products more conveniently.
- Thai Paper Products Co., Ltd. has adjusted the inventory management in the part of e-marketplace, Shopee Idea official shop, using experienced 3PL to provide professional product arrangement and retail delivery service.
- Thai Paper Products Co., Ltd. has developed a Dealer management system to co-work with dealers for better efficiency.

**Export Customer Service Highlights:** 

Used Robotic Process Automation (RPA) technology in Export Ordering to reduce unnecessary repetitive work processes and customer-order processing time.



**Credit Highlights:** 

Siam Kraft Industry Co., Ltd. developed a payment system so-called the Payment Gateway - a website that enabled customers to pay for goods and services from their bank accounts, which helped reduce banking transaction - time and view invoice details from the website.

**Developing solutions for Food Industry Customers** 

SCGP has collaborated with customers to develop complete solutions for food packaging, starting from Flexible packaging for products packaging, Carton packaging for product display, Corrugated box packaging for shipping, and Product labels. With a suitable material selection, beautiful design, high-quality printing, and manufacturing processes, SCGP enhances customers' brand image. Also, it reduces the redundancy and time in usual processes required for communication with many affiliates of SCGP. The collaboration strengthens the relationship and revenue for both businesses.

**Customer Satisfaction Survey**

SCGP conducted a customer satisfaction survey by sampling customers covering all industry groups, both domestically and overseas. The Company allocated the number of sampling customers according to the proportion of their purchasing volumes, divided into three levels, Platinum, Gold, and Silver, to obtain information from all customers' levels.

SCGP specified the sample size at an acceptable standard deviation, not greater than 5%. The Company's overall satisfaction in 2017 was 80%, 2019 was 80%. The survey in 2021 will be conducted in 2022.\*


**SCGP - Customer Service Center** 


In 2022, there will be an SCGP- Customer Service Center for customers to access with only one telephone number for every product easily. Adding the Function Privilege for customer convenience to direct contact with customer service personnel without passing through the IVR System helps avoid missing calls from customers. There is also a management system to distribute all customer calls to responsible customer service personnel simultaneously with the clearly defined service standards of answering calls and calling back. In this regard, each product group is also managed with the Dashboard Reporting system to create customers' confidence in receiving consistent, prompt service. In addition to answering phone calls with audio, a LINE Official SCGP Contact is another channel for customers to contact customer service personnel by messaging each other directly. It is an additional channel for customers with much quicker access.

# Health and Safety



## The target of Occupational Health and Safety


**0** Every year Work-Related Fatality of Employees and Contractors in the workplace.


**0** Every year Occupational Illness and Disease Frequency Rate (cases /1,000,000 Hours Worked)


**2021 0.08** Lost Time Injury Frequency Rate of Employees and Contractors (cases/1,000,000 Hours Worked)

**2022 0** Lost Time Injury Frequency Rate of Employees and Contractors (cases/1,000,000 Hours Worked)


## Performance 2021 of Occupational Health and Safety



**2** cases Work-Related Fatalities of Employees and Contractors

**0** Occupational Illness and Disease Frequency Rate (cases/ 1,000,000 Hours Worked)


**0.608** Lost Time Injury Frequency Rate of Employees and Contractors (cases /1,000,000 Hours Worked)

### Health and Safety Strategy

**01**  Encourage employees at all levels and contractors to be safety leaders, raise safety awareness, and promote behavior change towards a safety culture

**02**  Commit to upgrading the Occupational Health and Safety Management system compliance to the local and international standards towards excellence in Occupational Health and Safety.

**03**  Develop digital technology to support Occupational Health and Safety operations to be easier for implementation and higher efficiency.

### Just one case is too many.

For SCGP, just one accident case is unacceptable (Uncompromising Safety Standard). Suppose any work-related accident or occupational illness occurs; it is such a great tragedy due to physical and mental effects. Thus, SCGP pays high importance to workplace safety because it is critical in business operations.

SCGP adheres to one of the four Core Values, "Belief in the value of the Individual," realizing that "employees are the most valuable resource, that can be developed and need protected" to drive organizational growth towards sustainability.

SCGP has a solid determination to be "an Injury and Illness Free Organization" with proactive actions managed by the Occupational Health and Safety Committee, including an actionable safety system, qualified safety personnel in charge of occupational health and safety both in the workplace (Workplace Safety) and during transportation and vehicle use (Transportation Safety).

In addition, SCGP has digital technologies adoption to enhance management efficiency. And build a safe culture where everyone in the organization must be conscious of safety both at work and in personal life, and be a good role model in keeping and protecting oneself and others safe from incidents.

## Workplace Health and Safety

SCGP has continually implemented the Occupational Health and Safety management in line with the "SCG Safety Framework." In 2021, SCGP developed and enhanced the management system, focusing on participatory engagement with the learning and understanding of employees and business partners at all levels.

Also, the assessment adjustment by allowing SCGP's Companies to conduct Self-Declaration. It helps build the company's safety awareness from regular reviews of occupational health and safety competencies according to the "SCG Safety Framework" to demonstrate commitment to higher operational efficiency enhancement.

**In addition, there was the revision of the SCG Safety Framework's requirements to cover the Corporate Risk Management in 3 main areas as follows:**

1

### Health management

SCGP is committed to achieving the "Zero - Occupational illnesses and Diseases Goal" by implementing the health risk assessment to be defined as a risk measure management and planning the measurements in industrial hygiene. Also, a Health Surveillance Program corresponding to the exposed risk factors and analyzing the obtained data to determine the abnormal tendency causes illness and occupational disease to enhance employees' quality of life. During the COVID - 19 pandemic, SCGP issued health care measures for employees and related persons in both factories and offices to control and prevent the spread of infection and build safety and confidence in the organization using innovative equipment with touchless technology.



SELF DECLARE



HEALTH PASS



FACE RECOGNITION

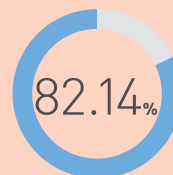


MASK DETECTOR

2

### Contractor Safety Management

"No employees, No business partners, No company exists." Therefore, taking care of business partners and employees is equally essential for their safe work and good health.



of Contractor - Companies Certified by CSM

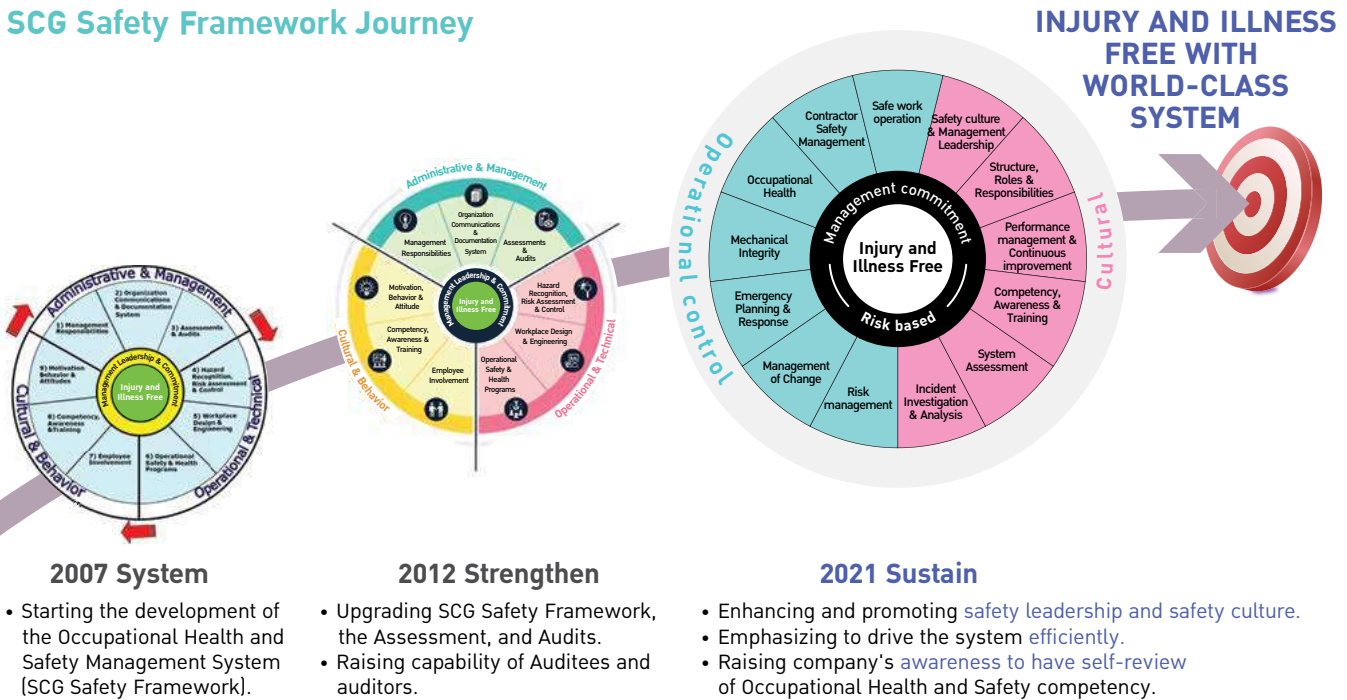
SCGP has The Contractor Safety Management Committee (CSM) to oversee all procedural steps; the selection process, operational control, and contractors' performance evaluation, including continued development and upgrading the safety operations.

3

### Process Safety Management

SCGP has studied risk management in the process to adopt and set up standards for process hazard analysis, including machinery and equipment maintenance to ensure consistent efficiency throughout the service life (Process Hazard Analysis & Mechanical Integrity).

## SCG Safety Framework Journey

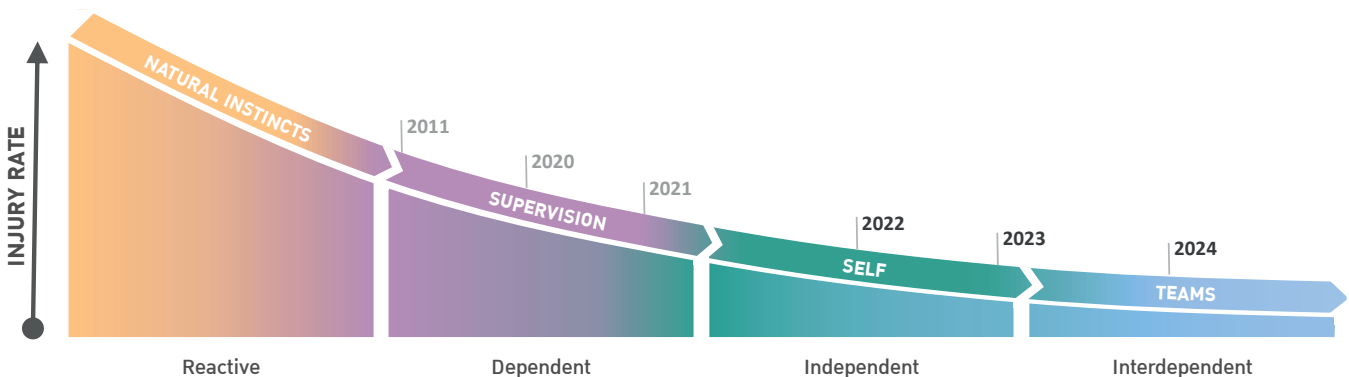


“ Building safety culture “Every life has value. Everyone must get home safe and sound, free from Occupational ILLness and Disease.” ”

SCGP has driven safe operating behaviors according to the Bradley Curve Model to promote Proactive Action for raising employees’ awareness of safe conduct. Presently, SCGP employees are at the independent stage. It means they behave with care and careful-mindedness, including maintaining a safe working environment themselves, not just following the supervisor’s rules or orders. SCGP

aims towards the “Interdependent stage” of behavior that employees can safely help others on the teamwork. Promotional activities comprise :

- Activities to encourage the discovery of risk points and self-improvement (Site Inspection).
- The reporting of near-miss incidents to find the cause and lead to the prevention of recurrence incidents.



- Safety by natural instinct
- Compliance is the goal
- Delegate to safety manager
- Lack of management involvement

- Management commitment
- Condition of employment
- Fear/Discipline
- Rules/Procedure
- Supervisor control, emphasis, goals
- Value all people
- Training

- Personal Knowledge, Commitment & Standards
- Internalization
- Personal Value
- Care for Self
- Practice & Habits
- Individual Recognition

- Help others conform
- Being other’s keeper
- Network contributor
- Care for others
- Organization Pride
- Use resources efficiently
- Appreciate the team’s success
- Trust among the team

## Transportation Safety






SCGP is committed to managing Transportation Safety and vehicle use to achieve the

“ Zero Road Accidents ”

goal by raising and proceeding through "Safety standards in transport and use of vehicles" to ensure the highest safety to all company transportation-contractors and general road users.



### Transportation Safety Management System

 <p><b>MANAGEMENT SYSTEM</b></p> <ul style="list-style-type: none"> <li>• Select transportation businesses and monitor the activities.</li> <li>• Evaluate and report the performance results.</li> <li>• Create management commitment and involvement.</li> </ul>	 <p><b>MAN - DRIVER MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>• Specify the driver's qualifications</li> <li>• Provide driver training for developing skills, knowledge, and capability</li> <li>• Define driving times and a rest break</li> <li>• Check the readiness before driving</li> </ul>	 <p><b>VEHICLE -TRUCK MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>• Specify trucks and carriers' specifications for company services.</li> <li>• Conduct vehicle checkups and maintenance.</li> <li>• Provide safety equipment or emergency tools necessary for safe driving.</li> </ul>	 <p><b>ROAD - JOURNEY MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>• Assess Route Hazard.</li> <li>• Monitor the driver's behavior during the transport via GPS.</li> </ul>	 <p><b>EMERGENCY RESPONSE</b></p> <ul style="list-style-type: none"> <li>• Prepare procedural steps and communication channel</li> <li>• Provide emergency response drills for the drivers.</li> </ul>
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### Product Safety Control

In addition, SCGP has the Product and Service Safety Control for customers and stakeholders' safe use by assessing the product safety risk impacts on safety, health, and environment throughout the product life cycle, including providing Product Safety Information for informing the stakeholders.

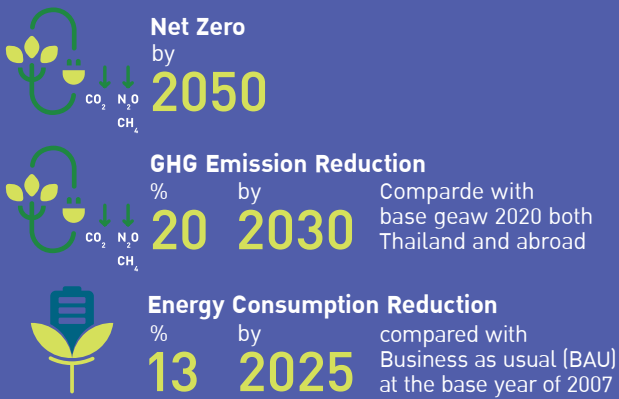


SAFEsave is SCGP's innovative Safety Management – Digital platform for conveniently supporting occupational health and safety operation and easily implemented to reduce complex workflows, data error from operators, and the lack of a centralized database for tracing back. The Engineering Division first conducted the trial and upscaled it to the SCGP Safety Digital Platform. In 2021, there is the development of SAFEsave by incorporating E-work permit and E-Safety audit function on this digital platform to improve the occupational health and safety operation with more ease of use and better efficiency.

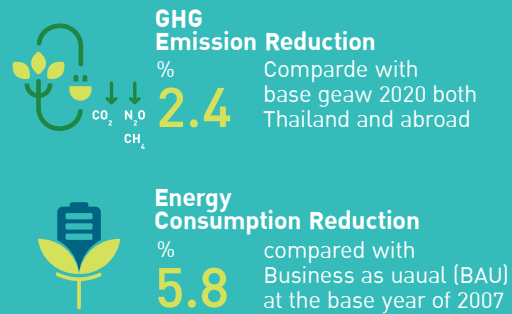
# Climate Resilience



## Target



## Performance 2021



## Climate Change Resilience

The emerging COVID-19 pandemic during 2020-2021 has given a glimpse of the future as a new normal of energy consumption. Everyone is aware of global warming's severe climate change. The world is calling for tighter air pollution controls and international cooperation to help reduce greenhouse gas emissions by reducing fossil fuels, creating innovations in greenhouse gas absorption, and increasing more use of renewable energy. In 2021, SCGP announced its intention to achieve the Net Zero GHG by 2050, to control global temperature rise not to exceed 1.5 degrees Celsius under the Paris Agreement by consistent active supervision and actions, according to international guidelines in all business units, to achieve the specified goals.

## Strategy towards Net Zero (Net Zero)

**04** 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.

**01** Increase energy efficiency by utilizing the best available technology to improve and upgrade equipment for achieving higher energy efficiency.

**05** Promote Natural Climate Solutions by supporting and cooperating with communities, organizations, and governments involved in forest protection and terrestrial forest ecosystem restoration to preserve biodiversity by continually planting trees to increase their capacity to absorb carbon dioxide and release oxygen into the atmosphere.

**02** Increase the share of renewable energy and clean energy sources such as biomass fuel, biogas, solar energy to replace fossil fuels.

**06** Apply economic tools to enhance greenhouse gas emissions reduction within the organization.

**03** Produce low-carbon products according to the Circular Economy principles with low-carbon production methods throughout the supply chain.







**Kitti Wiwatbawornwong**

Director - Energy Division, Siam Kraft Industries Co. Ltd,  
Chairman of Energy and Climate Change Committee – SCGP

described how to respond and deal with climate change issues with crucial strategies such as increasing the use of renewable energy and clean energy, improving and upgrading machine efficiency, and studying the best available carbon sequestration technology and reduce GHG emissions. “Though operation to produce products is important, the operation to cope with Global Warming issues is also critical. We must allow both actions to perform simultaneously to achieve High Efficient Production with the Least Impact on Climate Change.”

“We have clear policies and strategies to reduce energy consumption and greenhouse gases emission throughout the supply chain, including environmentally friendly - production processes and utilizing best available technology to reduce energy consumption and waste generation. We need cooperation from all function starting from the executive level to the operational level that must clearly understand and be aware of the Climate crisis for driving and cooperating to solve the Global Warming issues.”

## Challenges and Opportunities of Climate Change Resilience

### Risks

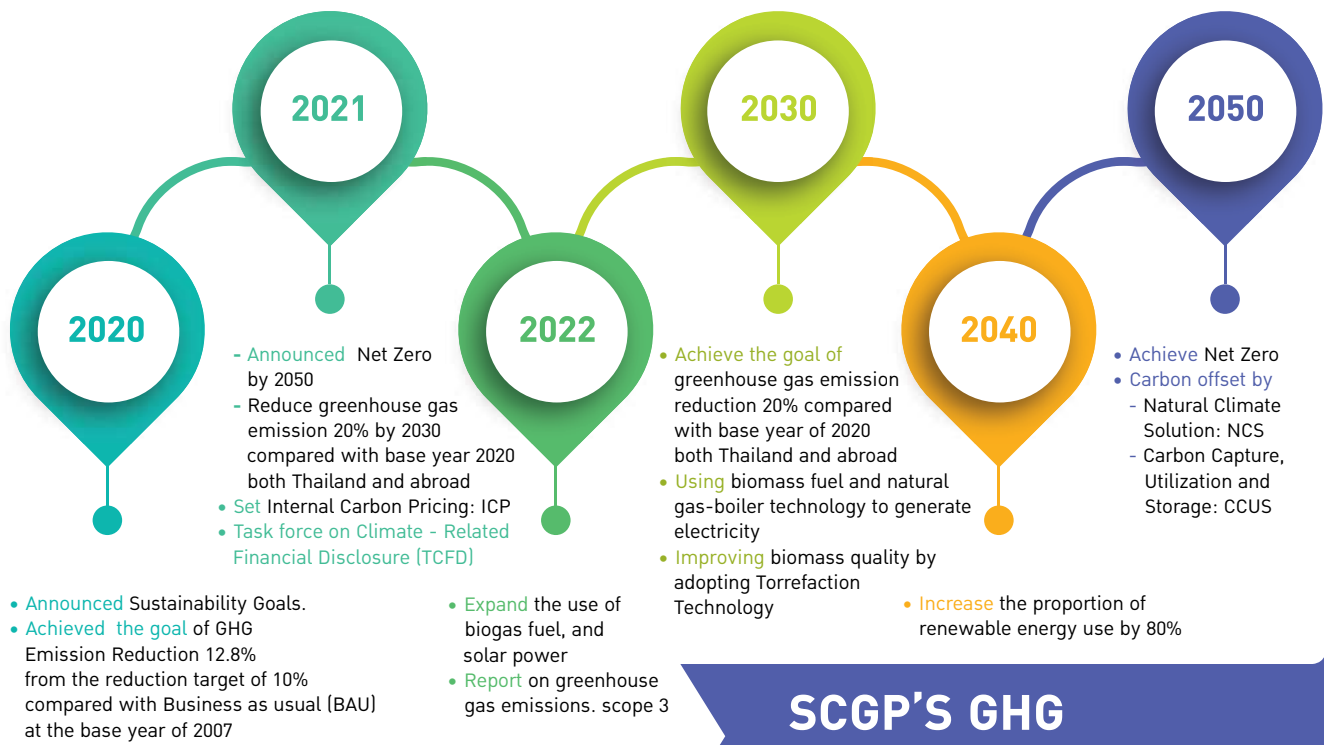
1. The volatility of fossil fuel prices and the limitation of energy sources.
2. Increased business costs and compensation for potential damages from Greenhouse Gas emissions.
3. Changes of consumer behaviors and the market competitiveness of the Low Carbon - Products under the Carbon Border Adjustment Mechanism (CBAM).
4. Investors' confidence and stakeholders' expectations for companies to disclose and address Climate Change-related issues.
5. Natural disasters such as floods, droughts, storms, and epidemics might affect business operations.

### Opportunity

1. Apply international standards for enhancing sustainable operation and developing greenhouse gas emissions plans.
2. Decrease fossil fuel usage and simultaneously increase renewable energy and alternative energy use.
3. Improve production efficiency to reduce energy consumption and develop products and services that help to reduce greenhouse gas emissions.
4. Seek opportunities in new markets that take greenhouse gas emissions into account.
5. Adopt economic measures; set internal carbon pricing (ICP) to support low-carbon projects.
6. Participate in ecosystem restoration as a source of carbon dioxide absorption.

### Energy management and Greenhouse gas reduction towards Net Zero.

SCGP recognizes that climate change affecting the increased world temperature issue is critical. It is challenging, impacts business operations, and needs cooperation with all sectors. The Board of Directors and the top management pay attention to supervise and follow up the performance for achieving the specified targets through the Climate Change and Energy Committee comprising representatives from every business to drive the policy into actual actions, follow up and evaluate performance together in the quarterly meetings. The Actual Performances and Strategic Plans for reducing greenhouse gas emissions and energy management are as follows:



## SCGP'S GHG ROADMAP

### Performance and Greenhouse Gas Emissions - Reduction



#### Renewable Energy Use

• SCGP attaches great importance to solar power because it is clean energy. In 2021, SCGP kept expanding the solar rooftop project at the factories of Thai Containers Group Co., Ltd. (Nava Nakorn and Kamphaeng Phet). Thus, SCGP has a total solar power generation capacity of 11.78 MWp reducing greenhouse gas emissions of 8,757 tons CO<sub>2</sub> equivalent per year.



• SCGP has used biomass energy by transforming agricultural leftovers into alternative fuel for power plants and purchasing sugarcane leaves from farmers in Kanchanaburi, Ratchaburi, Suphan Buri, and Phetchaburi Provinces as alternative fuels. In 2021, SCGP increased the biomass consumption ratio to 6.7% per year (327,720 tons/year) and reduced greenhouse gas emissions even more to 277,440 tons CO<sub>2</sub> equivalent per year. These outcomes were from purchasing sugarcane leaves from farmers and improving machinery for continuously using biomass fuel.

#### Digital technology to improve energy efficiency.

• In 2021, Siam Kraft Industry Co., Ltd. (Ban Pong and Wang Sala) developed an Online - Airflow measurement through Data Analytics at the Dryer Part. It has helped replace the operator's work to measure the airflow by themselves, usually taking up to 4 hours. The benefits gained were adjusting and optimizing the system more quickly, reducing thermal energy consumption by 37,344 gigajoules per year and reduced greenhouse gas emissions by 4,061 tons CO<sub>2</sub> equivalent per year.

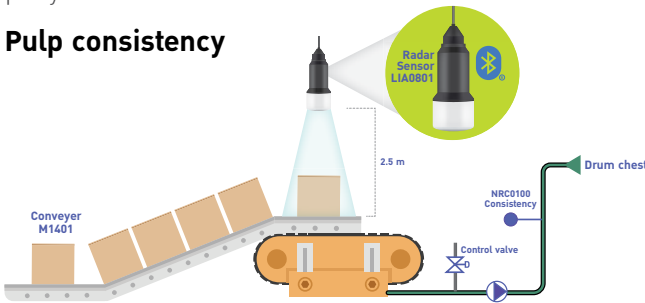
Hood air & Ventilation Balance Controlling system at Paper Machines no. 17, 5, 7, 8, 9





- Siam Kraft Factory (Wangsala Waste) developed a Radar Sensor with a program to control the speed of the belt conveyor before releasing wastepaper- bales into the pulper. It helps maintain the Pulp Consistency more stable, reduced electricity consumption by 3,500,000 kilowatt-hours/year, and reduced greenhouse gas emissions by 2,882 tons CO<sub>2</sub> equivalent per year.

**Pulp consistency**



**Automatic on-off program for Aerated Effluent treatment system for energy saving**

Siam Kraft Industry Co., Ltd.(Wang Sala) developed a program to automatically on-off control the Aerated Effluent treatment system based on real-time effluent quality measurement. It could enhance effective energy use while reducing the electricity consumption of turning on and off the system by 963,600 kilowatt-hours/year and reducing greenhouse gas emissions by 819 tons of carbon dioxide equivalent per year.



**A Project study on technology to increase the appropriate usage of biomass fuel**

SCGP: Innovation and Product Development Center (IPDC) has studied the Torrefaction Technology for various types of biomass such as wood chips, sugarcane leaves, rice straws, rice husks, veneers, pulp sludge, paper sludge, and palm kernel shell, aiming to increase biomass usage without fouling and corrosion problems in the boilers. The work done in laboratory in 2021 showed promising results revealing the similarity of the torrefied biomass to coal. In the following year, IPDC will pursue pilot-scale torrefaction and combustion in order to maximize torrefied biomass usage without boiler modifications. The ultimate target of this project is to reduce fossil fuel usage leading to the SCGP’s Net zero goal.

**Restoring forest areas as a source of Carbon Dioxide absorption**



In 2021, SCGP organized forestation activities with government agencies and communities to have forestry as a source of Carbon Dioxide absorption, which is the cause of global warming, and also to conserve the biodiversity under the “Plant the tree to save the world” Project Including other planting tree projects, both internal and external of factory’s proximity totaling 55,315 planted trees. Siam Forestry Company Limited has piloted Sustainable Forest Restoration in the conservation area of Kampaengphet Plantation project requesting the registration of the T-VER Project, totaling 684.4 rai, with a base-case CO<sub>2</sub> sequestration amount of 14,315 tons CO<sub>2</sub> equivalent.

**Collaborate with related businesses, communities, organizations, and governments to create awareness of Energy Conservation and Climate Resilience Response**

SCGP, collaborate with The Creagy Company Limited and Thailand Greenhouse Gas Management Organization (Public Organization), studied and developed an economic mechanism for determining Internal Carbon Pricing: ICP. SCGP has applied the principles to get the most reasonable price to support the Company’s environmentally friendly projects. The Project has created sustainable investment opportunities and benefits to organizations in managing climate change risks, including reducing greenhouse gas emissions - the significant cause of global warming.

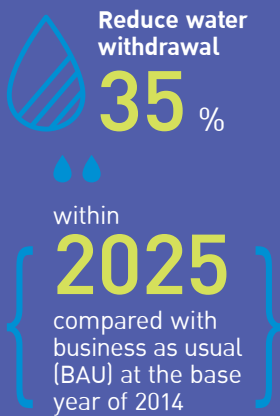


SCGP received a Certificate of Appreciation for joining the Thailand Voluntary Emission Reduction Program: T-VER

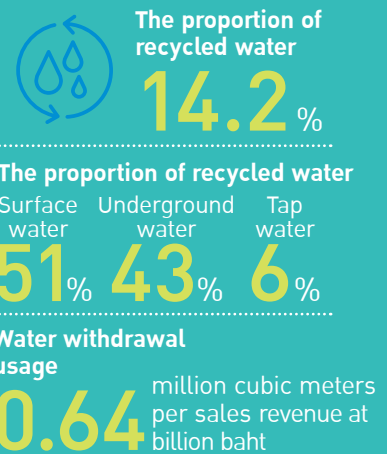
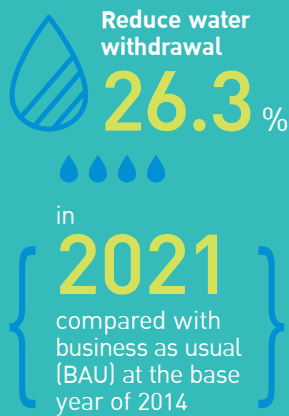
# Water Stewardship



## Target



## Performance 2021



## Water Management

Water is an essential resource for SCGP’s business operations. Regarding the use of water resources with the most value and most significant benefit, SCGP has applied the 3R principle to improve the production process to reduce the amount of water, reuse, and recycle the water used in the production process, including the restoration of the natural water resources. To discharge water to public sources, SCGP strictly complies with laws & regulations to prevent any impact on the environment or communities. Especially in today’s climate change conditions, which has a significant effect on water management, such as unseasonal and erratic rainfall patterns, no rains at the headwater area, depletion of water volume in the dams. Coupled with the demand of water consumption due to the increasing trend of the world’s population creates a water shortage in the manufacturing process and nearby communities. SCGP is committed to leveraging the capability to manage the water through the Integrated Water Management Working Team comprising of representatives from every business to formulate a strategy to address water-related risks and water usage efficiency. There is a function unit for water-related risks – monitoring, working with the government and industry sectors, with digital technology adoption, and creating innovation to increase water usage efficiency in the production process and reuse the treated water.



## Strategy

- 01** Water-related risk mitigation through integrated water resources management.
- 02** Increase water usage efficiency in production processes and products.
- 03** Treat the effluent to meet quality standards, monitor, measure the effluent and its quality, report on the effluent issues, incident investigation, corrective action, and reduce effluent.
- 04** Bring the recycled water after treatment to be used.
- 05** Capability building of the person who is involved in water management.
- 06** Rehabilitate the water sources’ ecosystems and support water to communities and agriculture.

## Integrated Water Withdrawal Reduction

SCGP has reviewed the selection of water quality and quantity suitable for production process in consideration of water withdrawal and the proportion of water consumption from external sources such as groundwater, surface water, and tap water. Also, the economic factor that affects the cost of production is taken into account. SCGP has invested in technology to reduce the amount of water used in the production process and circulate water

used in the production process to be reused and recycled. There are such technologies as installing and improving water filtration systems (SAVEALL/PETEX), installing high-efficiency machine cleaning equipment to replace the old system, to reduce the use of cleaning water. Including the selection of machinery that uses the minimum water technology.



**REDUCE**  
reduce water utilization in production process



**REUSE**



**RECYCLE**

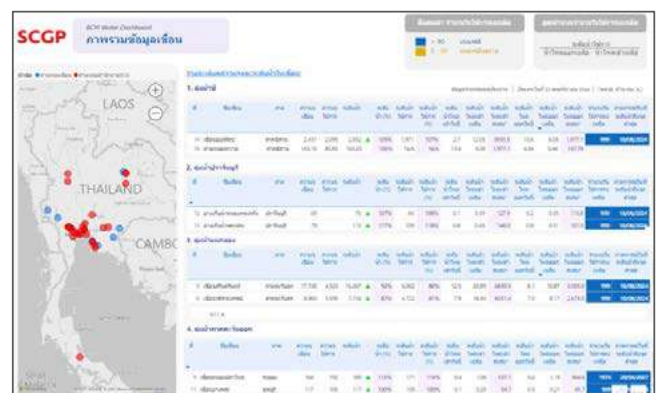
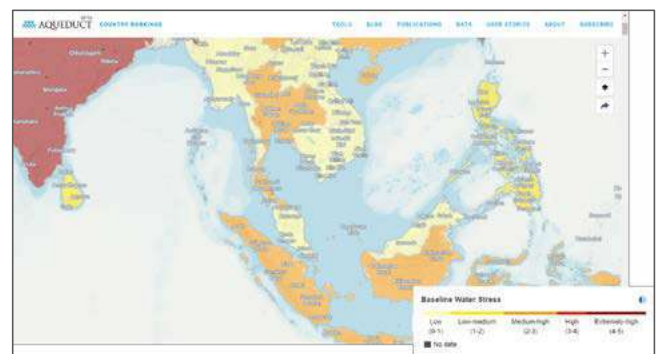
**REUSE, RECYCLE**  
reuse and recycle water in production process

## Water-Related Risks

### Assessment by Digital Technology

SCGP has a Business Continuity Management (BCM) function with a critical task to assess all water-related risk situations, either flooding or drought conditions, in all areas where SCGP operates. The BCM 's missions are to determine the preventive measures and set timely mitigation actions to avoid problems in the production process and with stakeholders, including using a digital system – the Early Warning System (EWS) connecting Application Programming Interface (API) with the Power BI to monitor, assess and create water situation dashboard. The Power BI monitors water usage situation in business, connected with essential information from various country sources, such as the Royal Irrigation Department, the Meteorological Department, Pollution Control Department, etc.

In 2021, SCGP introduced disaster reduction measures of the United Nations Office for Disaster Risk Reduction: UNISDR, with SENDAI Target Champion Goal no.7 on implementing the Early Warning Systems (Disaster risk information and assessment to people by 2030). The BCM aims to turn all measures into actual actions to warn against various disasters, including water-related risks. The BCM's goal is to expand the scope of the Early Warning Systems from the business to the communities both nationally and internationally to create disasters awareness.



## Establishment of Water User Organization and River Basin Committee according to the Water Resources Act B.E. 2561

The Water Resources Act B.E. 2561, effective from January 27, 2019, encourages all governmental, private, and public sectors to integrate their work to drive the water missions. The mission comprises the usage, development, management, maintenance, restoration, and conservation of water resources in the same direction, covering all dimensions to balance, sustain, and genuinely reflect all sectors' participation processes. SCGP executives selected by the Federation of Thai Industries have joined this water-user organization to help achieve the set objectives of water resource management and people's livelihoods under the supervision of the National Water Resources Board. SCGP and business partners are 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.



## Water User Organization

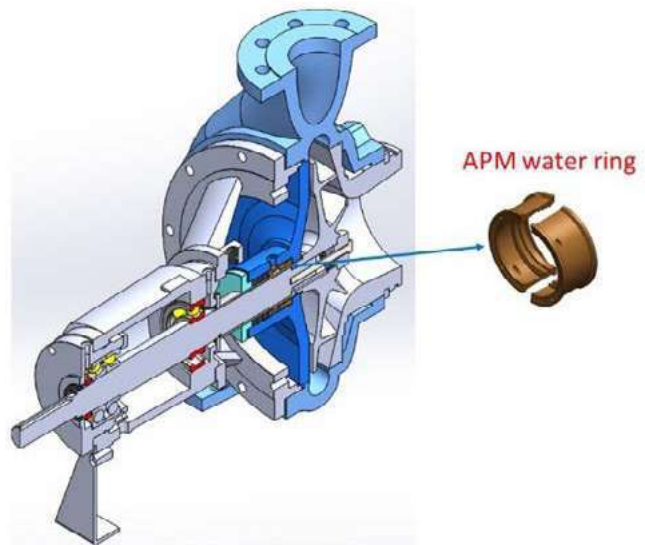
"Water User Organization" is a group of people using water in the vicinity of each other and are in the same watershed area registered as a working team to carry out mutually beneficial activities among members regarding the use, development, management, maintenance restoration and conservation of water resources.

### Strive to develop innovation

to preserve water resources by reducing sealing water from Machines or equipment using packing seals such as pumps and agitators.

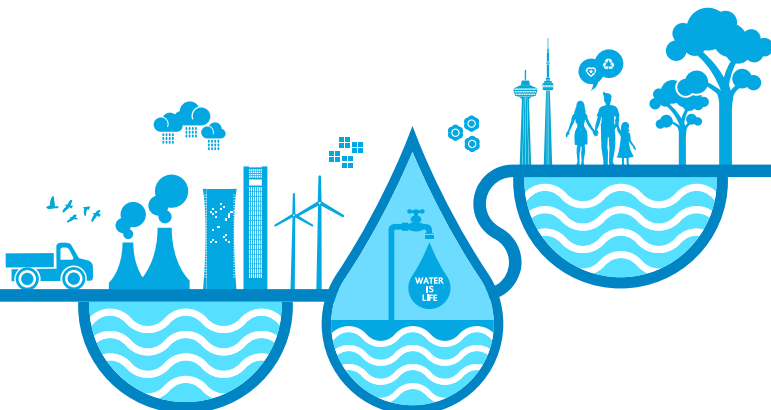
SCGP provides knowledge and understanding to employees, always puts high importance on the water to business, and sets water KPI target so that employees are committed to creating innovation continually.

The example of continuous and innovative improvement is the maintenance operators often encountered the problem of sealing water leakage at the water pump using the original packing seal system that caused the water to leak out due to its corrosion. Therefore, an APM Water Ring was developed and used in couple with a packing seal. This could reduce the water loss by 80% and improve water pump efficiency. Therefore, the successful results have expanded to various factories in SCGP, which can save a total of 1.4 million cubic meters of water per year. Currently, this innovation is in the process of applying for a petty patent.



### Water Circulation for Community

SCGP managed the agricultural project's water circulation by supplying treated water with the quality as specified standards from the mill to the farming areas of communities nearby. In 2021, SCGP distributed 3.8 million cubic meters of treated water to the farming area, vegetable farm, cornfields, and sugar cane in Ratchaburi and Kanchanaburi Provinces totaling 3,850 rai (1522.17 acres). This project helped reduce the water shortage problem in cultivation, increase the productivity of growing rice fields from 1 cycle to 2 cycles per year, and consistently increase farmers' income.



**LET'S SAVE  
THE WATER  
TOGETHER**

# Forestry and Biodiversity



## Target

Having biodiversity conservation area certified by FSC™ standard at least

**10** % of agroforestry area.

Having biodiversity conservation area certified by FSC™ standard

**3,000** rai.

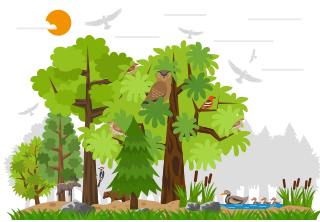
## Performance 2021

Having biodiversity conservation area certified by FSC™ standard at least

**12.9** % of agroforestry area.

Having biodiversity conservation area certified by FSC™ standard

**3,542** rai.



### Forestry and Biodiversity

SCGP has a strong determination to maintain the balance of the ecosystem by managing biodiversity and ecosystems according to the community's use and conservation. SCGP has applied international indicators to benchmark the operations, intending to be an organizational role model in biodiversity conservation under the concept of business, community, environment, sustainable coexistence, including creating a positive ecological balance in all involved processes.

### Strategy

**01**

Sustainable management of biodiversity benchmarked to international indicators.

**02**

Be a role model of biodiversity conservation and extend the effort to other areas.

**03**

Engage communities and stakeholders on the cause of biodiversity conservation.

**04**

Manage the use of community forest areas with participation under the principles of the Community Forest Areas.

### Opportunities and Challenges

Regarding Forestry and Biodiversity Management, there are two challenges in agricultural and forest ecosystems:

- The severity of diseases and insects in agricultural pests increases, including emerging diseases. When ecosystem conditions change, plants without adaptation cannot survive.
- The ecosystems of some forest societies may be lost and replaced with the increasing invasion of agriculture.

However, if agricultural and forest ecosystem services are well-managed, the opportunity and benefits gained are the diverse ecosystems and more sources of Carbon dioxide absorber.

### Biodiversity Management

SCGP has a Sustainable Forestry Management Committee responsible for formulating policies, setting objectives, and goals of sustainable Forestry operations, by overseeing and monitoring afforestation under the Forest Stewardship Council: FSC standards. The Committee aims to create "Positive Ecological Balance" in all involved processes and cooperate with government agencies and the Royal Forest Department to support community forest activities. The activities were public relations and knowledge to the community on compliance and international standards and SCGP's ecosystem and biodiversity conservation operations.



In 2020, the Biodiversity Research Center assessed SCGP’s conservation forest in Kamphaeng Phet plantation totaling 934 rai. They were rated as high conservation value area: HCV level 5 the Basic needs or Community needs, referring to an accessible area to utilize wild and non-timber forest products (NTFPs) for villagers in 12 communities nearby with more than 1,500 houses. So It has been a vital resource that provides ecology service to the communities. In 2021, the Company set up a Management and Follow-up activity Plan, such as creating permanent plot data to monitor long-term ecosystems with continuous monitoring and evaluating with the cooperation between employees of Siam Forestry and villagers in the community.



For more information on High Conservation Value Area: HCV

## Eucalyptus Plantation

In 2021, SCGP had an agroforestry area for Eucalyptus cultivation used in the pulping process of 27,938 rai, according to Forest Management: FSC-FM; the area utilized for forest cultivation must not be in or adjacent to national forest conservations or biodiversity areas. In 2020, SCGP declared the intention to join the Forest Stewardship Council (FSC™) network of which objective regarding mixing woods from the sources with categories listed below:



**01**

No Illegal logging or the trade in illegal wood or forest products;

**02**

No Violation of traditional and human rights in forestry operations;

**03**

No Destruction of high conservation values (HCVs) in forestry operations;

**04**

No Significant conservation of forests converted to plantations or non-forest use;

**05**

No Introduction of genetically modified organisms in forestry operations.

The proportion of SCGP forestry products certified by the FSC standard;

**FSC-COC**

License Code FSC™ - C135609 **100 %**

**FSC-FM**

License Code FSC™ - C012207 **35 %**

## Innovation of Eucalyptus Species Propagation to increase productivity in the agroforestry

SCGP has studied and researched Eucalyptus cultivation suitable for specific planting areas to increase productivity in the economic forest plantation and be used as a fiber raw material in SCGP businesses. Each species of Eucalyptus has different characteristics; for example, Camaldulensis has drought-tolerant, suitable for the weather conditions in Thailand, Urophylla, a high yield of wood and pulp, and Pellita, well resistant to diseases and insects.



01 Quality stock plant - selection from the hybrid test- plot.



02 Tree cuttings operation for increasing young shoots.



03 Inoculate the plantlets for increasing the plant shoots and roots.



04 Transfer plantlets to be inoculated in the nursery



05 Transfer plantlets to the drying pavement

## Innovation for Storing and Expanding the Native Species Genetics

SCGP has successfully applied knowledge and technology regarding the expansion of plant genetics, such as teak with tissue culture - propagation - technology. This project has helped restore the area much greener, including conserved biodiversity and ecosystems in the protected forest areas to be a good source of carbon dioxide absorption.



01 Plant shoots cutting-operation from quality stock plants



02 Transfer shoots cuttings inoculated in aseptical units.



03 Inoculate the plantlets for increasing the plant shoots and roots.



04 Transfer the tree cuttings to grow in black bags



05 Transfer the plantlets to grow in the Conservation Forest.





# Supply Chain Stewardship



## Target

**90 %** of procurement value from suppliers with a commitment to comply with the SCGP 's Supplier Code of Conduct.

**100 %** of supplier in procurement spend passed the annual Environment, Social, and Governance (ESG) risk assessment.

**100 %** of operation contractors certified under SCG Contractor Certification System: SCS

## Performance 2021

The total number of business partners operating in 2021 totaled **2,580**

**90 %** of procurement value from suppliers with a commitment to comply with the SCGP 's Supplier Code of Conduct.

**100 %** of suppliers in procurement spend passed the annual Environmental, Social, and Governance (ESG) risk assessment.

**0** Suppliers of High Sustainability risk.

**7** Critical Supplier were audited, representing **100 %** of all critical supplier

**100 %** of operation contractors certified under SCG Contractor Certification System: SCS.

**145** transportation contractors certified as major transportation contractors, representing **100 %** of all major transportation contractors.

The ratio of procurement spending on environmentally friendly products accounted for **11 %** of total procurement purchased, **16** products

**96 %** of employees in the supply and purchasing function had training on the ESG knowledge

## Creating Sustainable Value for Business Partners

The business partner is crucial in creating economic value and growing together towards sustainability based on Good Corporate Governance. Throughout SCGP's supply chain, the business partners comprise various manufacturers, service providers, and distributors. Thus, SCGP correctly selects the potential business partners with the set criteria such as ethical business conduct, delivering product and services as agreed in terms of quantity, quality, punctuality, compliance with the laws, environmental friendliness, and prevention of accidents for the safety of life and property. SCGP, therefore, carefully selects business partners and creates partnerships to enhance their potential for mutual sustainability growth in terms of Environmental, Social, and Good Governance: ESG.

### Strategy

**01** Select and assess suppliers with capability in sustainable business conduct.

**03** Develop and advance supplier's capability towards sustainability.

**02** Conduct risk assessment and supplier segmentation to formulate strategy and supplier development plan corresponding with the risks.

**04** Raise awareness and enhance employee's competency for efficient Procurement.

### Management

1. Conduct risk assessment and certify all suppliers annually and continually, applying enterprise risk management framework covering environmental, Social, and Governance issues and spend analysis.
2. Segment supplier into 4 groups: general tier 1 supplier; critical supplier; high - Potential sustainability (ESG) risk supplier, and critical non-tier 1 supplier.
3. Formulate supplier development and capability enhancement plan for consistency and efficiency.
4. Establish a Competency Management Committee to oversee the development of personnel capability in the purchasing, warehousing, and logistic functions, including sharing knowledge, information, and best practices with purchasing organizations in the public and private sectors.

## Fairly Treat Business Partners for Keeping Business Growth Based on the Merits of Good Corporate Governance.

### Hygienic Dimension

Amid the Coronavirus COVID – 19 crisis in 2021, SCGP and business partners increased their cooperations to maintain continuous production to serve the customers’ needs due to the rising demand for packaging. During the crisis-affected by government measures, the limitation of business operations was the surveillance and control of the Coronavirus COVID-19 pandemic in each province, such as the lockdown, curfew, or the necessity to show the results of the infectious disease testing, etc. These measures for accessing factories needed adequate provision for immediate response. SCGP paid great attention to these issues with awareness of the business partner – value in building a business together. Therefore, SCGP provided areas in the factory for work or the isolation zone as accommodation for infected business partners, including the COVID-19 Antigen Test Kit (ATK) for a periodic examination free of charge to ensure safe operations of both parties.

### Economic Dimension

The COVID-19 pandemic resulted in an economic recession, causing SME entrepreneurs to have lower sales and lack liquidity and working capital. SCGP realized the situation and wanted to maintain the supply chain as well. Partially, it was the results of their business partners extending or prolonging the trade loan and the credit term repayment period. Therefore, SCGP encouraged SCGP’s SME partners to continue their business without any financial liquidity problems by issuing a remediation measure to reduce the credit term to allow business partners to increase the working capital faster.

### Environmental Dimension

Concerns and considerations for the environmental impacts caused by the company’s operations or business partners are always in SCGP’s precautions and has taken environmental issues in setting goals and measures for reducing such impacts with social responsibility awareness.

### Promote the Use of B10 Diesel as the Base Diesel Replacing B7

To support the Ministry of Energy’s policy on renewable energy for the nation’s energy security, SCGP encouraged business partners to replace fleet backhaul - fuel from biodiesel type B7 to B10. Therefore, The company incorporated the fuel replacement as a condition of purchasing and extending agreement time of doing business together to enable transportation contractors to prepare fleet backhauls ready to use B10 diesel. The environmental measures included in these purchasing terms are beneficial to the country and society at large. It helps support crude palm oil prices while assisting local farmers in growing oil palms. Besides, it helps reduce the amount of PM 2.5 dust from truck smoke, resulting in much cleaner air. In conclusion, this better environment improves public health with less imported crude oil to meet the government’s biodiesel renewable energy policy.

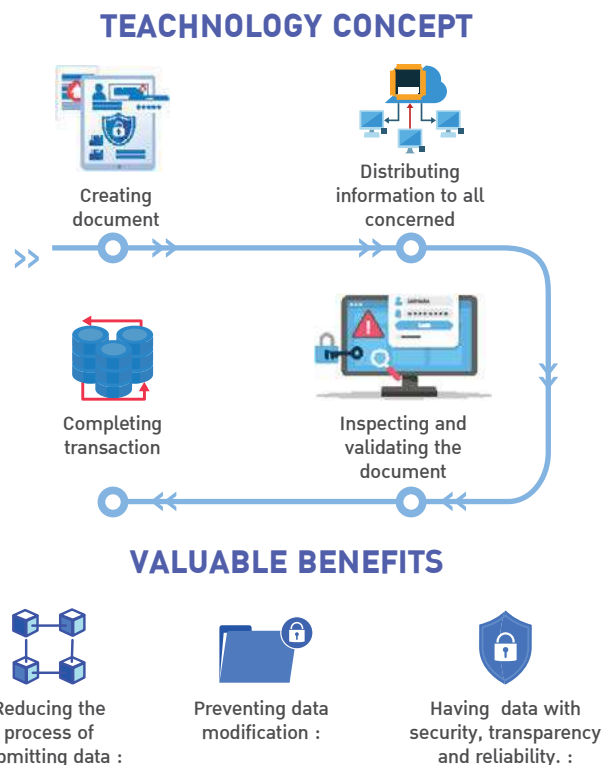
### Rail Transportation

In transporting the baled waste paper typically with large volume and heavyweight, from the starting point, Lad Krabang District in Bangkok directly to the recycling waste plants in Ratchaburi and Kanchanaburi Provinces, SCGP has used the rail transport in parallel with truck transportation. The consideration factors are price, time, reliability, and the least environmentally polluting

transport method due to less traffic and minimal waiting time with the assurance of delivery time. In 2021, there were 151,961 tons of baled paper transported in 6,607 train containers.

### Innovative Digital Blockchain to Raise the Level of Procurement Process the “B2P.”

SCGP has adopted digital Blockchain Technology to raise the level process of Procure-to-Pay (“B2P”). The platform helps the procurement-billing-payment process’s efficiency by decreasing the processing time, cost reduction per item, and enabling more streamlined production for employees. SCGP and over a thousand business partners have used the platform for managing purchase orders of raw materials, supplies, spare parts, and services. Not only does Blockchain Technology ensure the procure-to-pay reliability, but it also connects the involved parties in the entire network to develop an efficient ecosystem with high security. After all, each purchase is securely encrypted for security and transparency because the system can automatically and accurately check transactions at various points. In this “B2P” operation, SCGP partners can get money payments immediately when the billings get approved in the B2P system. They can increase working capital by using invoice financing applied at the Banks in the ecosystem to support a lower-interest credit than the overdraft (OD) loan interest.



### Business Spend Management Platform (BSM) :

In 2021, SCGP started implementing the Business Expense Management (BSM) on the Coupa Platform, a global platform with cloud connecting organizations and more than four million manufacturers worldwide. It enabled companies to oversee the controlling of the company spending. Connection of the related work processes helped increase purchasing from Thailand to the ASEAN region. The obtained connecting information enhanced the cost advantage and increased efficiency in procurement benefiting to SCGP’s business partners to expand their business on the global platform.

# Employee Caring and Human Capital Development



## Target

- **100%** of employees in Thailand receive the Competency Assessment and have an Individual Development Plan (IDP) on the Blended Learning 70-20-10 approach.
- Extend the competency development system and the blended-learning performance results to employees in Thailand and the countries where SCGP operates to develop employees at critical positions according to their succession planning.
- Create career ownership in the talent group in Thailand by allowing them to design their career path and self-development scheme according to the specified career planning.
- Develop Transformative Leaders and Subject Matter Experts (SMEs) to support SCGP's business expansion in the future, approximately three times the number of the increased workforce.
- The Employee Engagement Rate domestic and overseas is **78%**.

## Performance 2021

- The expense of employee - Training and Development in both domestic and overseas totaled **146** million baht.
- Shift the classroom training to online and e-learning during COVID-19 to create continuous learning with an average of **1.77** training days per employee (excluding e-learning).
- The Employee Engagement Rate was **76%** based on the total number of employees in domestic and overseas

SCGP realizes the rapid changes in technology and all business factors. Therefore, the company implements a competency-based system to plan employee - development and employee - growth by defining the critical competencies, knowledge, functional competency, and leadership competency that support business operations for employees in various positions. Also, SCGP implements the Blended Learning 70-20-10 to provide employees with knowledge and skills suitable for working efficiently and effectively, ready to adapt to current and future business changes. Regarding measuring the learning achievement, the proportion of 10% is from theory, 20% from an expert's discussion or advice, and 70% from actual practice or doing the project.

## Management

SCGP has appointed a committee and departments responsible for employee - learning, including supervisors at all levels to ensure employee- competency development in line with the business growth.

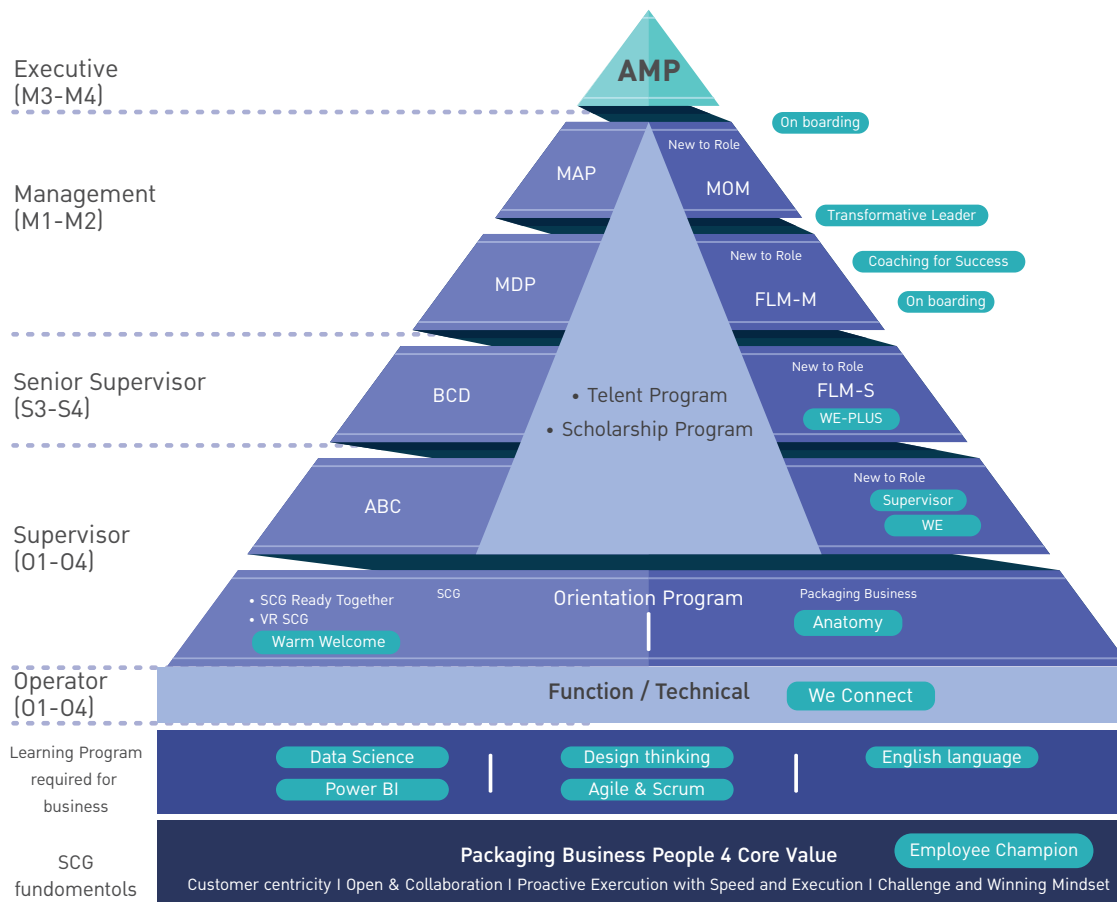
## Strategy 2022

- Implement the competency development system to evaluate employee competencies and develop employee performances, including career planning, to help the business grow and compete.
- Create opportunities for employees' growth and advancement domestically and internationally through the Learning and Development Program, Succession Planning, and Career Development.
- SCGP leadership development includes:
  - Develop SCGP leaders with attitudes, knowledge, and abilities to develop subordinates having more potential according to the approach of 70-20-10:
    - 10 - Classroom training
    - 20 - Coaching, mentoring, performance dialogue, reverse mentor
    - 70 - Assigned projects for development or actual implementation.
  - Assess the knowledge and leadership competency every year to find areas of improvement:
    - Core Value Leadership; the ability to lead and drive the value creation, and the organizational culture (Unbounded Way).
    - Talent Leadership; the potential and ability to be a future leader.
    - Role-Based Leadership; the abilities that leaders must possess based on their roles.
- Ensure the employee-caring thoroughly and equitably for creating the organizational engagement.

## Employee Development to Support the Business Expansion

- There was SCGP's employee development framework, an integrated system of the Competency Development Program (CDP), the Performance Management System (PMS), and SCGP Excellence Training Center - (SPEC) to equip employees with the skills and competencies ready for their careers growth.
- Emphasized developing employees' skills to cope with changes, be ready to meet customers' needs, and support business expansion by defining knowledge, Leadership Competency for employees at all levels. They are Customer & Consumer Centricity, Agility, Resilience, Diversity, Global Mindset & Perspective, and Technology & Digital Adaptability.
- Supported master's degree scholarships to employees for further study at leading universities worldwide, enabling employees to develop their potential in their fields of expertise or business administration leading to the highest value organizational creation. In 2021 there were a total of four scholarships awarded.
- Set up a system for employee development to ensure the continuity of business operations (the Succession Planning and Development) by creating a success profile specifying the necessary competency for effective and efficient work performance in a specific role.





### Leadership Development

- There was a revision of knowledge, Leadership Competency aligned with SCGP vision, connected to the roles of leaders at each level. Leadership competency used as a criterion for assessing potential employees (talent) had helped identify the talented employees more clearly, resulting in the talent pools that could support and drive SCGP’s business success.
- Defined leadership roles following explicit organizational culture and behaviors in responding to the level of work expectations and what the leaders must express in their daily work, including building an understanding of the roles, knowledge, and skills in leadership competency at the managerial level.
  - Engagement - leading the team - building engagement, inspiration, and teamwork
  - Imagination - leading the way – having a vision and building a team with a forward-looking to the big picture.
  - Execution - leading the acts - work development, driving success through activities and changes.

### Talent Attraction and Retention in 2021

- Prepared the high-performance human resources (key talent) readiness for current and future SCGP business by expanding talent management to cover employees at the senior supervisor level, which was recognized SCGP’s critical positions.
- Reviewed the performance appraisal of managerial levels to reflect their performances more clearly by adding on effort & collaboration factors as elements for consideration to encourage them to set goals and take on challenges, including building cooperation within the organization.
- Improved the job valuation system in the critical position to reflect the work importance in accordance with the organization’s business operations, and to be used as basic information for human resource management in various dimensions, such as compensation management, learning development, and career management.

### Organizational Commitment Survey in 2021

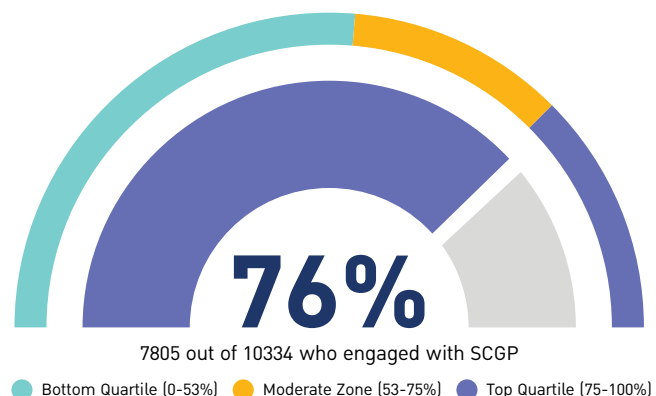
SCGP has continually surveyed employees’ organizational commitments in Thailand and countries where SCGP has business operations in collaboration with Kincentric, a global consulting company specializing in corporate engagement and outstanding employers.

The recent survey results in 2021 show that

The average percentage of organizational commitment in SCGP is **76%** of all respondents in domestic and overseas.

The number of employees with organizational commitment is **7,805** people.

The average percentage of organizational commitment in public companies is 68%.



# Human Rights



## Target

- Being a role model in human rights, both directly through business activities, and indirectly by providing support and encouraging business partners in the value chain, including joint-ventures to recognize, protect, and respect human rights in their business operations.
- 0 - case of human rights violation.
- 100% of identified risks are well-managed through mitigation and preventive plans, and remediation actions.

## Performance 2021

- 0 case of human rights violation.
- Employees took Ethics and Human Rights e-Testings and the passing rate was at 100% score.
- 17.9% of the female share of the total workforce, 21% of females in all management functions
- Supported people with disabilities by hiring 27 people as permanent employees and promoted 49 people to pursue self-employment in their local communities.

## Human Rights

SCGP has a solid core value to conduct business with ethics, adhering to responsibility toward society and all stakeholder-groups based on the SCGP’s Good Corporate Governance and Human Rights Policy. SCGP has strictly complied with the laws and international principles, notably supporting and abiding by the United Nations Global Compact: UNGC and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. These are to ensure that SCGP’s business operations shall not violate human rights in all business activities, including those

involved throughout the business value chain for achieving business sustainability with proactive prevention of human rights and their impacts as well as raising the life quality of stakeholders and society from sustainable value creation. In 2021, SCGP joined the SCG - Human Rights and Stakeholder Engagement Working - Group intending to expand business operations domestically and internationally without human rights violations by creating engagement with all groups of stakeholders to build confidence and shared values.





## Strategy

- 01** Integrate Human Rights, diversity and Inclusion into business operations across the value chain both in Thailand and abroad.
- 02** Faster value and initiate human rights programs for all stakeholders across the value chain.

## Management Approach

- 01** Announce the policies on Human Rights, Diversity and Inclusion aligned with the United Nations Global Covenant: UNGC, International Standards, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and international requirements, and drive policies into actual operations through the SCGP Sustainable Development Committee.
- 02** Establish a uniform framework of risk management for consistently conducting throughout the organization, and implement a comprehensive Human Rights Due Diligence Process by emphasizing the proactive actions to prevent the violations of Human Rights



## Performance 2021

SCGP treats all employees according to SDG No. 5, gender equality by recognizing the value of individual dignity, treating all employees equally and indiscriminately, from the recruiting to retiring - the end of the employee status (Onboard to Offboard). SCGP has a Human Resource Management System taking care of employees in all dimensions, strictly complying with the laws, and continually raising the standard of employee caring beyond the regulations. SCGP's Human Resource Management depends on the employee level (Personal Level: PL) and employee competency without gender discrimination no matter in recruitment, employee development, and career path, including remuneration, benefits & welfare.

For example, in the case of Performance Appraisal and Salary Increase in the senior management group, the performance evaluation criteria, and the evaluation process, including the salary structure in considering salary adjustments, are clearly defined and written. This procedure is uniformly applicable to the same group/level of employees.



## SCGP's implication towards Goal (SDG) No.5 Gender Equality is to achieve gender equality and empower women and girls domestically and internationally.

The foundation of SCGP's employee recruitment policy is from the "Belief in the value of the individual," which is one of the four core values that SCGP upholds. Thus, the recruiting process must be fair, transparent, and reflects the genuine capability and potential of the applicants towards SDG No. 5, the equality in recruitment with diversity in religion, age, ethnicity, gender, 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. The recruiting process starts from selecting the application form, contacting the applicant, and conducting the committee's interview until becoming an employee. Such approaches can reduce the discrimination and bias against the applicants, resulting in obtaining a diverse workforce with the knowledge and competency as specified by the Company.

# Ethics e-Testing

SCGP 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%.

In **2021** SCGP administered Ethics e- Testing for the seventh consecutive year

and the passing rate was **100** % score.



## SDG No. 8 Decent Work and Economic Growth

SCGP's business practices emphasize the respect and acceptance of diversity and inclusion throughout the value chain, including frequently listening to the various perspective views from stakeholders, which is the beginning of a business's creativity and innovations. It is also a vital force driving the organizations to overcome multiple crises and grow together sustainably. According to SDG No. 8, Decent Work and Economic Growth, SCGP has promoted and supported people with disabilities to have a career and income by employing 27 as permanent employees and promoting 49 people to pursue self-employment in their local communities.



## Human Rights Policy

**SCGP**

Human Rights Policy

SCG PACKAGING PUBLIC COMPANY LIMITED

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. Regarding human rights protection, SCG Packaging has strictly complied with laws and international standards especially providing 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 (UNGPR), and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

To ensure that SCG Packaging's business is free from human rights violation, the meeting of the Board of Directors has deemed it appropriate to issue the Human Rights Policy and practice guidelines to prevent violation of human rights in every business activity of SCG Packaging (direct activity), including those of its business partners in the business value chain and joint ventures.

## SCGP joined the SEDEX

The Sedex Members Ethical Trade Audit (SEDEX) is a global organization whose members are business organizations worldwide. It requires all members to comply with SEDEX standards in the four areas; labor standards, health and safety, business ethics, and environment applicable to the members' operations and business partners. Since 2019, SCGP companies have implemented SEDEX's regulations in treating employees and workers ethically throughout the system, both within the company and the entire value chain.

In **2021** companies in SCGP domestically and internationally

wholly implemented SEDEX's regulations and were assessed by external auditors;

**11** of SCGP were accepted and became members of SEDEX. companies

It clearly indicated the SCGP's dedication to Human Rights implementation consistently.





# Community Engagement and Development



## Target



Community Satisfaction index  
**90** %

## Performance 2021



Community Satisfaction index  
**89** %

## Community Engagement and Development

SCGP conducts business with concern for social and community responsibility in parallel with the organizational development towards sustainability. As a part of the community development for a sustainable society, SCGP begins with building awareness and fostering people in the community, especially those surrounding SCGP’s factories, to increase self-reliance continually. SCGP utilizes knowledge and expertise, including collaboration with other agencies to support the community growing together sustainably.

## Strategy

**01**

Utilize both SCGP expertise and external specialization to care for society

**02**

Foster employee engagement with all relevant stakeholders to create sustainable value for society

**03**

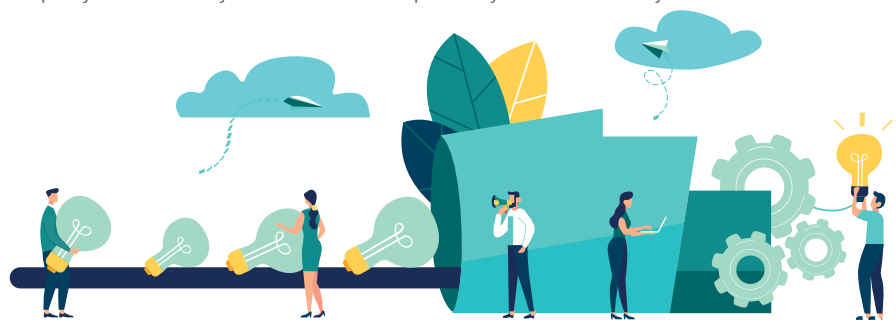
Develop innovation that responds to the community's needs and solves social issues.

**04**

Develop a community model and scale up the model achievement to other community networks.

## Community Satisfaction and Engagement Survey 2021

SCGP regularly conducts a community satisfaction survey every year. The objectives are to monitor the community development progress and listen to the community stakeholders' opinions for integrating their views into the company's operations. Also, to assess various collaborative activities and many precautions for analyzing and making an effective activity plan to meet the community's needs. The community development's goals are well-being creation, knowledge raising, and engagement in environmental protection to formulate the implementation plan for effectively responding to the community's needs to raise their satisfaction. This community satisfaction survey was full-scale research conducted by a leading national research company (Third Party) to ensure transparency and credibility of the research results.



In 2021 due to the COVID-19 pandemic in Thailand, conducting the **survey required a telephone** interview with people in the community surrounding the factories within a radius of 3-5 kilometers; they were

- community dwellers
- community leaders
- local government agencies
- nearby business groups

**totally of 4,492 cases** within 5 SCGP factory proximity in Ratchaburi, Kanchanaburi, Prachinburi and Khon Kaen Provinces.  
**The survey period was** between 18 August – 19 September 2021

## Community Satisfaction and Engagement Survey in 6 dimensions



### Economic

Evaluate and conduct opinion surveys on professional learning and community development activities appropriate for the community in each area.



### Environmental

Survey the potential environmental impacts on communities to systematically protect and develop the environment.



### Social

Explore the community needs during the coronavirus COVID – 19 pandemic for personnel and resources preparedness in a timely response.



### Physical

Explore the locations to install and repair equipment and public facilities for the community's health, learning, and safety.



### Management

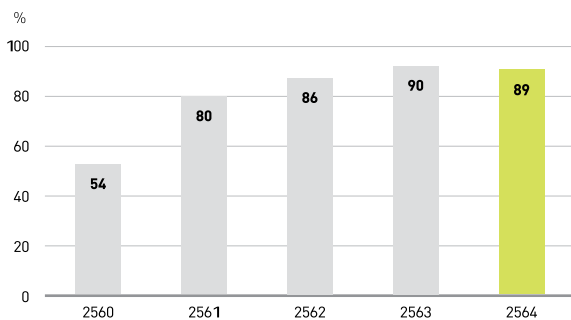
Explore channels and results of common opinions from the meetings for clear clarification.



### Public Relations

Survey the understanding of the Company's initiatives, such as projects following the Circular Economy principles to create a good life for the community

The survey results are taken into account to determine the appropriate activities, monitored monthly in the Community Relations Committee.



The community satisfaction survey results in 5 areas in 2021 (Business Unusual) accounted for 89 percent from the target of 90 percent (Business Usual). However, the 2021 survey results were higher than the base year value of 2016 at 52 percent satisfaction.

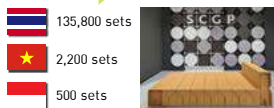
## The Corporate Social Responsibility Expense in 2021

alleviated the society suffering during the COVID-19 crisis, both domestically and internationally, and from the flood disaster in Thailand. SCGP donated the social innovations created by experienced SCGP innovators; SCGP could respond to prompt use and directly solve the problem with a design concept from the user's perspective.

SCGP continually donates money to support the "Education for the Future Program" every year. In 2021, there were 1,140 scholarships awarded, totaling 2,284,000 baht.

### SCGP Field Hospital Bed

**138,500** sets



### U-Space Paper Partition

**500** pieces



### Cure Air Sure mask

**10,000** pieces



### SCGP Paper Toilet

**15,000** sets



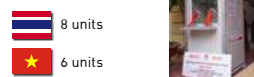
### Corrugated Packaging for the sharing-boxes

**15,000** pieces



### Negative/Positive Pressure Isolation Chamber

**14** units



### Donation

**300,000** baht



## Ban Pong Circular Economy Community Project

A District of Like (No) Garbage Project is a collaborative project of the three sectors, the government, the public, and the private, SCGP 's factory located in Ban Pong District. The factory has consistently supported the Corporate Social Responsibility projects for the factory's communities, including waste material management at Ban Rang Plub Community, and successfully received a national award from entering the Zero Waste Community Project contest of the Department of Environmental Quality Promotion in 2019 with efficient use of resources and the potential to transfer knowledge to other communities in Ban Pong District aligned with the Ban Pong District's plan of driving waste material management throughout the district.

SCGP has joined forces with Ban Pong District and the 17 local administrative organizations to expand the success of the waste material management project to other communities within Ban Pong District. By specifying "The project of driving the Municipal Waste Management Community Model in Ban Pong District." to study the practical examples from the Ban Rang Plub Community Model covering all 183 communities in the Bang Pong District within the year 2023.

This year's challenge was the COVID-19 pandemic that halted the learning at actual places as they did. The company had to adjust the communication channels and promote the knowledge through online media, including teaching the community to use VDO call - Zoom and Facebook Live to improve the meeting and presentation skills through online channels to adapt themselves to change and learn continuously.

- During the year 2019-2021, there were 58 model communities successfully developed throughout the project implementation, with an additional 17 communities in 2021. According to the plan, the project continues to expand to create 183 model communities throughout the district in 2023, also leveraging the model to other provinces where the SCGP's factories operate in Prachinburi, Kanchanaburi, and Khon Kaen Provinces, targeting 13 communities.
- The success of Community of Like (no) Garbage "Ban Pong Model" had been extended to Ban Nong Song Hong Community, Krub Yai Subdistrict, Ban Pong District, Rajaburi Province received the first prize from the national contest of Zero Waste Community Project in 2021 organized by the Department of Environmental Quality Promotion.



## Bring Back Paper to the Factory

In collaborations with government agencies and educational institutions surrounding factories in Ratchaburi, Kanchanaburi, Prachinburi, and Khon Kaen Provinces, SCGP initiated a program to exchange the paper scraps in their offices with the new copier paper and returned the used paper scraps to the recycling process. It was a joint effort to raise awareness of the value of renewable resource management. In 2021, the company brought 220 tons of paper into the recycling process.



## Circular Economy Project: Strengthening Social Enterprise.

### The Weaving Handicrafts of Paper Band Project.

Naturally, there are waste materials in the paper-making process, so-called paper tape or paper band, with its significant properties: tough, durable, non-moldy, and natural colored. SCGP has co-studied with teachers, lecturers, and Kanchanaburi Rajabhat University to promote basketry handicrafts by reusing waste materials to the most cost-effective use following the Circular Economy principles. SCGP has helped increase the potential of students and communities around the factory in spending their time more valuable by promoting the basketry handicrafts to be the identity of each province, using paper tapes to weave into a variety of products since 2014. The products range from household items: baskets, trays, coasters, finger – traps, handbags, flower baskets, and gift boxes with further development of dyeing techniques to add value and aesthetic pleasure. SCGP also built a community learning center for knowledge transfer to sustain existing products and jointly developed distribution channels for export to foreign countries.



This project helps communities self-reliant from an increased household income by offering outstanding wicker products made of lightweight and durable materials that are by-products of the paper-making process.



In addition, SCGP has continually developed the Community - Promotional Occupations Learning Centers, totaling 28 centers in 2021, to strengthen community enterprises for a better quality of life from handicraft and agricultural work. SCGP has supported the communities with raw materials, seeds, workshops, sales distribution channels, and developing products to meet standards for export.

### Environmental and Community Natural Preservation Project

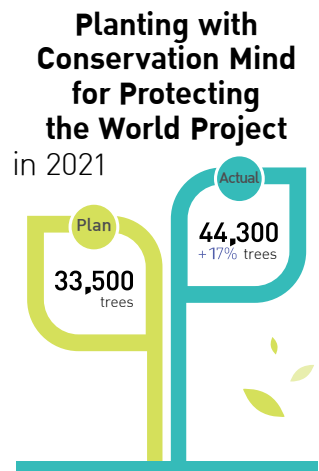
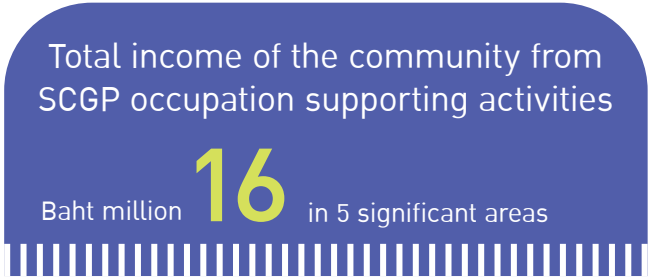
#### “Conserving Water from Mountain to Mighty River” Project

SCGP has adopted the King Rama IX’s initiatives on water management to restore the watershed forest by building check dams. The project’s benefits helped preserve soil moisture, return the balance of the forest ecosystem, reduce the severity of wildfire, drought, and flooding, finally create happiness for the community. The project enables cultivating and raising awareness of the resources and forests’ values for conserving the natural resources according to the sustainable development principle. SCGP joined forces with the communities and public sector in the vicinity of SCGP’s factories. In 2021, SCGP still implemented the check dam project in SCGP’s factories in Ratchaburi, Kanchanaburi, and Khon Kaen Provinces, totaling 570 check dams.

#### “Planting with Conservation Mind for Protecting the World Project.”

SCGP realizes the value and contribution of trees as an essential absorber of carbon dioxide that causes global warming. Besides, the trees help restore and maintain the natural ecosystem balance also biodiversity.

In 2021, SCGP continued the reforestation activities under the project, namely “Plant with Rak (Conservation), Phitak (Protect) the Earth, on the auspicious occasion of His Majesty the King’s birthday to express loyalty and gratitude and instill awareness of the importance of conservation and restoration of forest resources to all sectors. For planting as many trees as possible to add more green areas, SCGP is ready to campaign and support the transferred knowledge to build a network on environmental conservation by working together to protect the world from the global warming crisis.



SCGP has reforestation activities all year round, totaling 44,300 trees from the planting target of 33,500 trees, representing the amount of carbon sink absorbing 3,460 tons\*. SCGP is ready to transfer the planting knowledge for keeping trees surviving and growing sustainably to reduce Greenhouse gas emissions, aiming at limiting temperature increases to less than 1.5 degrees celcius by carbon sequestration from the atmosphere - under the Paris Agreement, including the Natural Climate Solution (NCS).

Note\* The tree’s carbon sequestration values are based on data from Thailand Greenhouse Gas Management Organization (TGO) and Ocean science journal; Assessing Carbon Stock and Sequestration of the Tropical Seagrass Meadows in Indonesia, calculated at a 10-year tree growth period

# Environmental Management



## Target

**ZERO WASTE** Every Year - Zero waste from the production process in Thailand to landfill

Year **2025** reduction of waste disposal by incineration without energy recovery in Thailand, **100%** compared with the base year of 2014

## Performance 2021

waste from the production process in Thailand to landfill. **0** tons

reduction of waste disposal by incineration without energy recovery in Thailand, **99.9%** compared with the base year of 2014

### Environmental Management

SCGP recognizes that ensuring sustainable production and consumers' consumption is essential because SCGP's products significantly drive the country's economy and enhance people's well-being. Every SCGP business must strictly manage the resources used appropriately and incorporate environmental management measures, the management concept of 3R (Reduce, Reuse, Recycle), and the Circular Economy principles. From business planning, the decision-making for improving and developing the production process, to the innovation process, SCGP aims to reduce environmental impact throughout the supply chain by minimizing the chance of pollution occurring at the source, monitoring, tracing to prevent problems. Also, bringing raw materials - waste back into the production process for creating value-added products helps reduce the use of raw materials from natural resources, or finally use as alternative fuels. SCGP has various measures for safety and health workers, customers, and nearby communities with a solid mind of "Concern for Social Responsibility."

### Strategy

**01** Strive to reduce and eliminate waste generation at the source and set as the indicators for continual assessment.

**02** 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.

**03** Research and develop innovation to reuse, recycle raw material and waste or create value to waste by converting them to value-added products.

**Commitment to Waste Reduction Continually**  
**SCGP - Vina Kraft Paper in Vietnam cooperates with business partners to replace the packaging containing chemicals from Intermediate Bulk Container (IBCs) to Flexi-Bags.**



In general, there is a crucial step in the paper-making process to size paper surfaces with the sizing agent, so-called the sizing process, which helps increase the paper property in water-absorption prevention. At Vina Kraft, the turpentine sizing agent is used and delivered in plastic Intermediate Bulk Container (IBC) to the factory. The IBC is usually chemically contaminated after use and needs managing. However, there are problems with its size, inflexibility, and heavyweight. Therefore, the Company aims to reduce 1000 liter IBC that becomes waste after use with high handling costs. By reviewing the chemical delivery system into the production process, such as improving the pipe system and cooperating with business partners to replace the packaging for chemicals from the original IBC to Flexi-Bags. The turpentine in a Flexi-Bag is transported to the factory, taken to the storage tank connecting to the piping system, easily flowing into the production process. The replacement of IBC with Flexi-Bags helps the Company permanently manage the conventional IBC packaging by approximately 200 tanks per year.

“ In addition to using a Flexi-bag for the benefits of Flexi-bag recycling, it helps reduce chemical contamination on the ground and increases safety in operation ”

discontinue using forklifts to move IBC tanks to higher floors for changing the IBC tank. Also, the operators can control the turpentine quantity in the storage tank at the volume of 45 m<sup>3</sup> more evenly and conveniently.

### Fly Ash and Bottom Ash Management following Circular Economy Principles

#### The Automatic Block Machine in The Production Line

Nowadays, Thai Cane Paper Public Company Limited, Prachinburi factory produces steam and electricity using coal as fuel in the paper-making process. After the coal fuel combustion process, the residual leftover is in heavy ash (bottom ash) and light ash ( fly ash). In general, the ash is disposed of by landfills. With the strong determination towards the zero-landfill goal of waste from the production process, the Prachin factory puts efforts into ash management in two ways: using it in construction block production and as industrial waste disposal treated in cement kilns.

In 2020, there was a project to install an Automatic Ash Block machine in the production line. The project consisted of the area – and - buildings improvement for installing the machinery, storing ash blocks, and installing other equipment to assemble the ash block production line as Storage Cement Tanks and Heavy Ash-Storage- Barn.

It is an ongoing project; the research studies’ results show that heavy ash (Bottom ash) and Light ash (Fly ash) contain unique properties suitable for construction blocks. The outcome of this project; the factory can increase ash block production capacity by having more ash and reducing disposal costs of firing at the Cement Kiln. In addition, it helps reduce the impact on the air environment - the risk of scattering particles during transport. In addition, the use of ash as raw material in the construction block-production maximizes the waste resource benefit according to the Circular Economy concept and as an upcycled product. In 2021, the proportion of ash disposal to the production of brick increased from the year 2020, at 70:30 to 60:40.



### Improving receiving system of fly ash, the substitution of raw material in Cement Production, for Economic and Environmental benefits

Before Siam Kraft Industry Co., Ltd improved the fly ash receiving system to substitute raw material for Cement Production in the cement factories of SCG Cement Group in Saraburi Province. The traditional fly ash transport depended on a truck. Still, this transportation resulted in higher operating costs due to water spraying to eliminate the dispersion problem while getting fly ash to the truck. The Company developed the new system by transporting fly ash by Bulk Feed Trucks instead of trucks, then storing them in the silo of the cement plant. Though there was no dispersion problem during transportation, the dispersion problem of fly ash dust still occurred while being loaded to use.

In 2020, the Company had jointly studied to solve the dispersion problem at the site with SCI Eco Services Co., Ltd., and The Siam Cement (Kaeng Khoi) Co., Ltd. The Company introduced the technology to use Screw Mixer in spraying water to reduce the dispersion when getting the fly ash from the silo to mix with other raw materials for cement production. At present, The Siam Cement (Kaeng Khoi) Co., Ltd. installed the 2 screw mixers in 2020 at Kiln No.4 and in 2021 at Kiln No. 5.

The Project Outcomes The Company can reduce the fly ash dispersion problem during loading to the Bulk Feed Truck and reduce the disposal cost by approximately 24 million baht per year. And, there is no need to spray water at the starting point, resulting in a cheaper disposal cost.

### BENEFITS FROM THIS PROJECT

In **2021**

Bottom ash from the combustion process at the Thai Cane Paper factory (Prachinburi )



was used to make blocks

**100** %



and reduced the disposal cost of

**0.8** million baht per year.

## Solvent Recovery for Reuse in the Production Process

SCGP - Performance and Polymer Packaging Business (PPP) produces flexible packaging. One critical production stage is the printing process that usually uses the solvent to clean the ink stuck on the machine and various equipment. This cleaning causes the solvent waste to mix with impurities; even though the used solvent can be washed away, it cannot be reused because its cleanliness is not enough due to being used solvent. The Company is determined to reduce such waste by continually applying the 3R principles, controlling the amount of solvent per production volume (Reduce), and investing in Solvent Recycling System installation to remove the contaminant solvent (Recycle). It is German technology with more than 9 million baht investment, installed at the two factories, the Prepack Thailand Co., Ltd., and Tin Thanh Packaging Joint Stock Company – BATICO Vietnam. Thus, there is no need to handle the used solvent, but the system helps reduce the amount of external waste disposal up to 300 tons in 2021 and recover the solvent for reuse in the production process.

## Total Management to reduce the impact of Air and Odor Emissions

Concern for employees' and communities' health surrounding the factories, SCGP establishes a stringent Air and Odor Emission Management Policy. The process starts from controlling pollution at the source, reducing the amount of air and odors emissions together with regular surveys and measurements of them, and bringing the obtained data to analyze for developing a better environment, including continuously upgrading the reduction and measurement technology.



### Target

In **2025**

**5%** Reduction of air emissions per product domestically and internationally compared to the base year 2020

In **2030**

**10%** Reduction of air emissions per product domestically and internationally compared to the base year 2020

### Performance 2021

Reduce Specific Dust

**6.7%** compared to the base year 2020

Reduce Specific Sulfur Oxide (SO<sub>x</sub>)

**4.2%** compared to the base year 2020

Reduce Specific Nitrogen Oxide (NO<sub>x</sub>)

**4.3%** compared to the base year 2020

### Strategy

- 01

Set Air Emissions targets according to the same business group's international guidelines that do not exceed the values specified by law.

03

Encourage regular participation in air pollution management with communities and stakeholders.
- 02

Apply the best available Air Pollution Management Technology by controlling both pollution sources and release points and continuously monitoring air quality.

### Management Approach

- 01

Follow up the performance through the Energy and Climate Change Committee comprising representatives from each business group that jointly formulate strategies, goals, and plans.

03

Provide training to employees who control the air pollution treatment system according to the Department of Industrial Works requirements.
- 02

Pulp and paper Business groups use the Continuous Stack Air Quality Monitoring System (CEMS), and Packaging Businesses use the Random Stack Air Quality Monitoring System with the reliability and correctness examined by external agencies.

## Continual Air Quality Management with Technology

Industrial plants must burn fuel as a source of energy, causing air-polluting gases emissions, including Carbon Dioxide (CO<sub>2</sub>), Sulfur Oxide (SO<sub>x</sub>), Nitrogen Oxide (NO<sub>x</sub>), and Dust. SCGP is committed to reducing air emissions by increasing the proportion of renewable energy use, improving energy efficiency, and using advanced technologies such as Electrostatic Precipitator: ESP, including SO<sub>x</sub> Capture by Lime System. First started using Circulating Fluidized Bed (CFB) boilers in 1993, and in 2021 the Company Installed Burner Technology, the Terminox - GS type for natural gas-fired boilers to increase combustion efficiency and reduce NO<sub>x</sub> emissions. Also, the digital production control system is applied to ensure the stability and efficiency of the production process.

Regarding Air quality monitoring, Continuous Emission Monitoring Systems (CEMs) are applied, including the development of the PI Vision applications for real-time monitoring and surveillance of the air quality from stacks to be alerted if there is any risk incident at any time.

In 2021 SCGP started researching on adsorbents for appropriate use in the operation to effectively trap the SO<sub>x</sub> by studying the relationship of various adsorbents properties such as surface area, size, pore-volume, and the number of active sites on SO<sub>x</sub> capturing capacity to reduce SO<sub>x</sub> emissions from stacks and the cost of adsorbents. In addition, there has been a study on adsorbent derived from lime mud, a sludge formed by industrial production processes, for the benefit of waste management and reducing disposal costs following the Circular Economy principles. The study results can confirm the use of the CFB Boiler at the Pilot-scale and find an optimization model as a guideline of each type of adsorbent used on-site conditions in the actual state of the factory with an estimated saving cost of around 1-11 million baht per year.



SCGP aims to develop innovation, particularly the measurement of air pollution and odors caused by industrial plants. In 2021, the Innovation and Technology Development Center and Technology and Digital Platform Department of SCGP co-invented and manufactured the innovative DOM: Detect Odor & Monitoring to measure and monitor air and odor pollution. This innovation was successfully awarded the National Innovation Award 2020 in the Product and Service design category. They worked jointly with the Siam Kraft Paper, Thai paper Factories at Ban Pong District, Ratchaburi Province, and the factory at Wang Sala District, Kanchanaburi Province, to install DOM. It has been effectively used with high efficiency. Thus, SCGP continues replicating this success to other SCGP factories.

## Wastewater Treatment

SCGP treats wastewater from the factory's production process before releasing it into the environment. Also, regularly measures the quality of water with the internal control standards that are more stringent than the official standards before releasing it to natural water sources, the wastewater treatment system of Industrial Estate, and the farmer areas for cultivation. The company monitors water quality in natural water sources before and after the factory by measuring various parameters such as the total dissolved solids (TDS) according to the standard method. It is to classify the water intake quality to ensure that the treated effluent does not affect nature and continually enhances the company's efforts to improve wastewater quality.

SCGP has consistently studied new technologies to upgrade wastewater treatment operation efficiency. In addition, the company organizes the annual operational training of wastewater treatment knowledge/technology to the responsible employees and encourages them to attend the training on environment managed by the government sector and private sector so that they obtain new knowledge / technology for improving work be much better.

SCGP selected the high-efficiency water treatment technology by installing an anaerobic treatment system in factories both in Thailand and abroad, from Vina Kraft Paper Company in Vietnam, then expanded to other factories, Siam Kraft Industry Co., Ltd. (Ban Pong and Wangsala) in Thailand, the Philippines, and Indonesia. The technology has reduced wastewater contamination before entering the aerobic treatment system, so it helps to improve the process efficiency. In addition, it can reduce energy use while producing biogas as an alternative fuel for steam and electricity generation.





# ESG

## Performance



## About This Report

SCGP has published the sustainability report since 2019, with the intention to disseminate business performances in economic, social and environment dimensions to stakeholders. The reporting period is from January 1, 2021, to December 31, 2021

### The Significant Changes and Developments in 2021

#### January 2021

Acquired 100% of shares in Go-Pak

#### February 2021

Issued debenture for the first time on April 1, 2021, The SCGP debenture No. 1/2564 has the total offering value of not exceeding Baht 5,000 million and the over-allotment not exceeding Baht 500 million under the Medium-Term Note (MTN) program for a two-year term in the amount of not exceeding Baht 40,000 million.

#### March 2021

Added the 7th thermoform production line and related warehouse, resulting in an increase in its total capacity of 347 million pieces.

#### May 2021

Invested in pressboard capacity expansion of foodservice packaging by additional 1,615 million pieces per year at Ratchaburi plant in Thailand and Binh Duong plant in Vietnam. Expanded molded pulp packaging production capacity by additional 223 million pieces per year at Kanchanaburi plant in Thailand, with start-up date expected in the 2nd quarter of 2022.

#### July 2021

Acquired 70% of shares in Duy Tan Plastics Manufacturing Corporation Joint Stock Company (Duy Tan), a leading rigid packaging manufacturer in Vietnam.

#### August 2021

Acquired 75% of shares in Intan Group, one of Indonesia's corrugated container manufacturers.

#### August 2021

Acquired an additional 20% of shares in Visy Packaging (Thailand) Limited, resulting in SCGP stake in Visy increased from 80% to 100%.

#### September 2021

Invested in the new packaging paper production complex in north of Vietnam for Vina Kraft Paper Company Limited (VKPC), which is in the process of environmental impact assessment and expected to be commissioning at the beginning of 2024.

#### December 2021

Acquired 85% of shares in Deltalab, the medical supplies and labware specialist company registered in Spain.



### Reporting Scope

The Information presented in this report includes: Sustainability performances in SCGP's two core businesses comprises the Integrated Packaging Business and Fibrous. The selection of Sustainability performance information included in this report is based on what is determined by SCGP's management to be responsible, relevant, and valuable for its stakeholders when measuring sustainability performance. There are several changes to the Information already reported in the Sustainable Development Report 2019 as follows:

1. Page 65: Economic Performance: Employee compensation, comprising salary, wage, benefit, welfare, and regular contributions in 2020, amended from Baht millian 10,604 to 10,603
2. Page 84: Awards of Pride 2020, Global Awards: WorldStar Packaging Awards 2020, amended from 4 to 3 awards.
3. Page 77: Subsidiaries included in Sustainability Report 2020: Total Direct/Indirect Holding (Percent) of Prepack Thailand Co., Ltd., amended from 38% to 52%.

The Sustainability Report and its data are prepared in accordance with the Global Reporting Initiative (“GRI Standards”), Core Option as shown on page 109 - 110. The Communication on progress-Advanced Level of United Nations Global Compact (UNGC) as shown on page 111., the Implementation of the Task Force on Climate-related Financial Disclosures (TCFD) shown on page 112, and the Actions toward The United Nations Sustainable Development Goals (SDGs) as shown on page 35. Finally the implementation at Sustainability Accounting Standards Board (SASB) shown on page 113

**Economic Data** The reporting scope covers the performance of subsidiaries, joint ventures, associates, and other companies, both domestic and abroad, Except for the circular economy information that is excluded new companies (less than 3 years) and merged companies (less than 4 years).

**Environment, Health, and Safety** the reporting scope covers subsidiaries and associates performance with SCGP

## Sustainability Management System

To ensure SCGP and its subsidiaries have the sustainability management system throughout the organization, we have been certified International standards i.e. the Quality Management System (ISO 9001), the Environmental Management System (ISO 14001), the Occupational Health and Safety Management System (OHSAS/TIS 18001/ISO 45001) and Sustainable Forestry Management Standards (FSCTM - Forest Stewardship Council™) (License code FSCTM - C135609) In 2021, 93% of companies granted the Quality Management System certification, 82% granted Environmental Management System, 73% granted Safety and Occupational Health Management System, and 97% granted Sustainable Forestry Management.

## Reporting Assurance

Financial data derived from a financial management system is similar to those presented in the SCGP Annual Report and verified by a certified accounting firm.

The third party has assured the integrity and consistency of selected environmental, health, and safety data in this report against GRI Standards reporting guidelines as details shown on page 106-107.

shareholding more than 20% and SCGP has the ability to manage including other voluntary companies both Thailand and abroad\* with an exemption for expenses reporting, investments, environmental benefits, violations and legal fines which reported only Thailand data. However, this reporting was excluded Greenfield (less than 3 years) and M&P companies (less than 4 years) as a list of companies shown on page 104-105

**Social information** (besides **Health and Safety**) covers the performance of subsidiaries, joint ventures, associated companies and other companies Thailand and abroad in line with the SCGP Annual Report.

\*PT Fajar Surya Wisesa Tbk. Voluntary disclosed Environment, health and safety information before the company prescribed the data reporting criteria because PT Fajar Surya Wisesa Tbk. data has been used to set targets for reduce greenhouse gas and air pollution emissions reduction.


## The electronic file of this report and the previous ones

can be downloaded from the SCGP website

### For more information, please contact

**SCG Packaging Public Company Limited**

1 Siam Cement Road, Bangsue, Bangkok 10800

 **Tel** : +66 2586 1227-8

 **E-mail** : scgpackaging@scg.com

 **Website** : www.scgpackaging.com



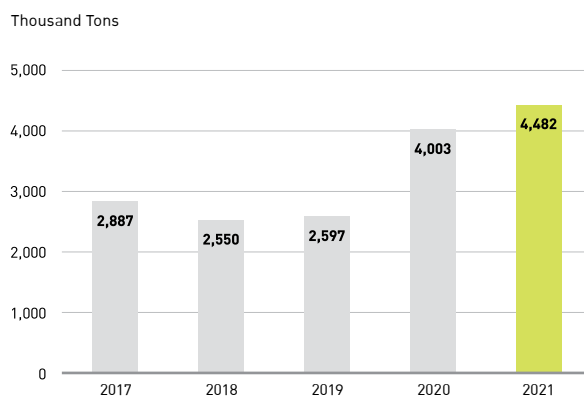
## Sustainability Performance Data SCGP 2021 (Thailand)

### Environmental Performance

#### Production and Raw Materials

Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Production (Thousand Tons)	3,411	3,439	3,442	3,359	3,480			610	0.1	6c
Total Raw Materials (Thousand Tons) <sup>EN0.1</sup>	5,224	5,483	5,177	6,405	4,507	GRI 301-1	25.4	610 630		6a, 6b
Recycled Materials (Thousand Tons) <sup>EN0.1</sup>	2,887	2,550	2,597	4,003	1,909	GRI 301-2	25.4	610 3501		6a, 6b
Renewable Materials (Ton) <sup>EN0.1</sup>	NA	NA	NA	NA	2,573	GRI 301-1			2.4.4	

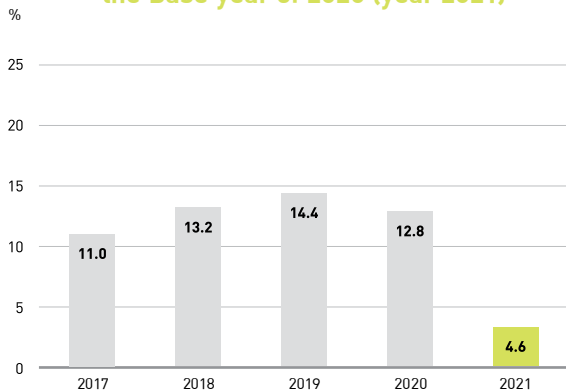
#### Recycle Materials and Renewable Materials



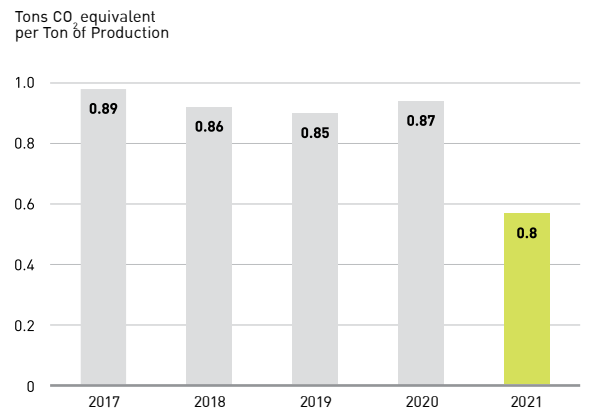
#### Greenhouse Gas Emissions

Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
GHG Scope 1 (Million Tons CO <sub>2</sub> equivalent) <sup>EN1,*</sup>	2.81	2.58	2.53	2.66	2.52	GRI 305-1	25.4 32.6	610 305 630	2.3.1	
GHG Scope 2 (Million Tons CO <sub>2</sub> equivalent) <sup>EN1,*</sup>	0.21	0.38	0.38	0.26	0.27	GRI 305-2	25.4 32.6	610 305 630	2.3.2	
GHG Scope 1 and 2 (Million Tons CO <sub>2</sub> equivalent) <sup>EN1</sup>	3.02	2.96	2.91	2.92	2.79		32.6	610 305 630		
Biogenic CO <sub>2</sub> (Million Tons CO <sub>2</sub> equivalent)	NA	NA	NA	NA	1.30					
GHG Emission Reduction compare with base year of 2020 (Million Tons CO <sub>2</sub> equivalent) <sup>EN1.1</sup>	0.37	0.45	0.49	0.43	0.14	GRI 305-5	25.4 32.6	610 305 630		
GHG Emission Reduction compare with base year of 2020 (%)	11.0	13.2	14.4	12.8	4.6	GRI 305-5	25.4 32.6	610 305 630		
GHG Emission (Tons CO <sub>2</sub> equivalent per Ton of Production)	0.89	0.86	0.85	0.87	0.80		32.6	610 305 630		
GHG Emission Target compare with base year of 2020 (Million Tons CO <sub>2</sub> equivalent) <sup>EN1.1</sup>	3.39	3.41	3.40	3.35	2.86		25.2 32.6	610 305	2.5.9	
GHG Emission Target (Tons CO <sub>2</sub> equivalent per Ton of Production)	1.00	0.99	0.99	1.00	0.82		25.2 32.6	610 305		

**GHG Emission Reduction Compared with Business as Usual (BAU) at the base Year of 2007 (year 2017-2020) and Compared with the Base year of 2020 (year 2021)**



**GHG Emission per Ton of Production**

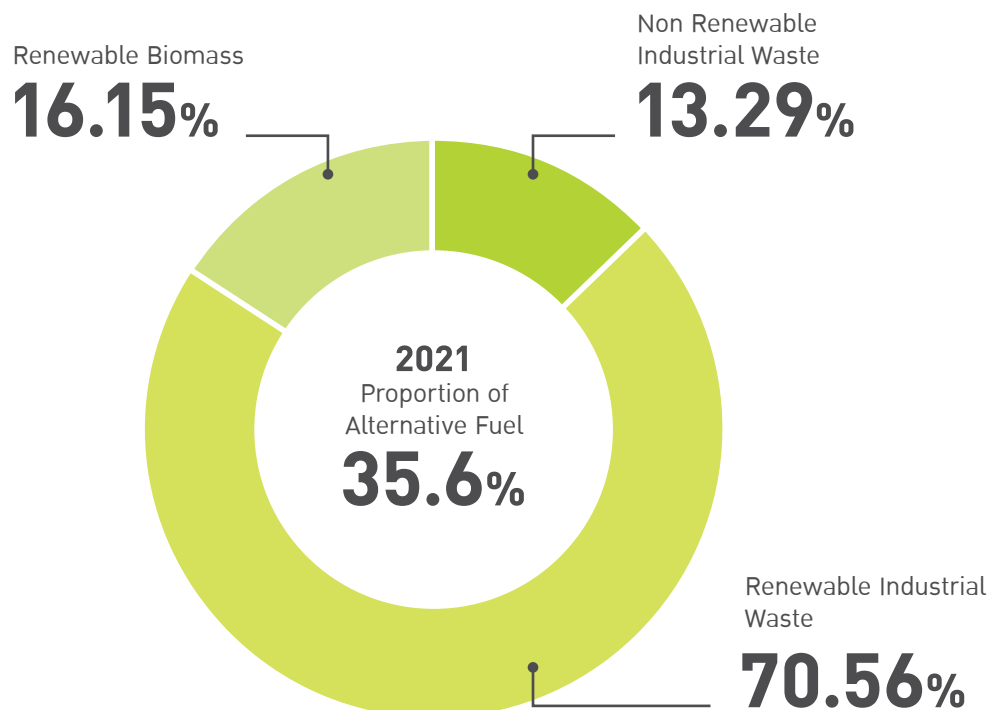


**Energy Consumption**

Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Total Energy Consumption [Petajoules] EN2,*	40.39	40.97	40.83	40.79	41.41	GRI 302-1	25.4	610 305 630		
Heating and Steam Consumption [Petajoules] EN2,*	39.13	39.58	39.45	39.87	40.18	GRI 302-1	25.4	610 305 630		
Alternative Fuel [Petajoules] EN2										
• Total Renewable Fuel*	9.50	10.76	11.20	10.40	12.40	GRI 302-1	25.4	610	2.3.3	
• Renewable Biomass	0.95	0.96	1.39	1.59	2.31	GRI 302-1	25.4	305	2.3.3	
• Renewable Industrial Waste	8.55	9.80	9.81	8.81	10.09	GRI 302-1	25.4	630	2.3.3	
• Non Renewable Industrial Waste	1.25	1.08	0.89	1.94	1.90	GRI 302-1	25.4		2.3.3	
Proportion of Alternative Fuel (%) EN2	27.5	29.9	30.6	31.0	35.6	GRI 302-1	25.4	610 305 630		
Nonrenewable fuels (nuclear fuels, coal, oil, natural gas, etc.) Consumption [Petajoules]*	NA	NA	NA	NA	26.31	GRI 302-3	NA	2.3.3		

\* Within Deloitte's limited assurance scope (page 106-107)

**Alternative Fuel**



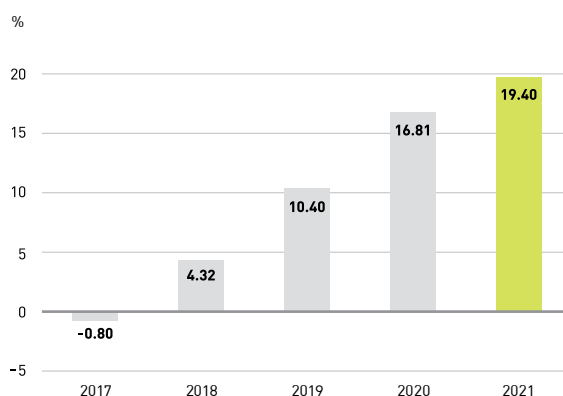
## Energy Consumption

Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Electrical Consumption (Gigawatt Hours) <sup>EN2,*</sup>	351.00	385.06	383.87	256.42	341.24	GRI 302-1	25.4	610 305 630		
Electricity Sold (Petajoules)*	NA	0.07	0.15	0.45	0.35	GRI 302-1	25.4	610 305	2.3.3	
Energy Consumption Reduction compare with business as usual (BAU) at base year of 2007 (Petajoules)	3.03	3.67	3.76	2.31	2.45	GRI 302-4	25.4	610 305 630		
Energy Consumption Reduction compare with business as usual (BAU) at base year of 2007 (%)	7.0	8.2	8.4	5.4	5.6	GRI 302-4	25.4	610 305 630		
Energy Consumption (Gigajoules per Ton of Production)	11.84	11.91	11.86	12.14	11.89			610 305 630		
Energy Consumption Target compare with business as usual (BAU) at base year of 2007 (Petajoules)	43.42	44.64	44.59	43.10	43.86		25.2	610 305		
Energy Consumption Target (Gigajoules per Ton of Production)	12.73	12.98	12.95	12.83	12.60		25.2	610 305		

## Water Withdrawal and Effluent Quality

Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Total water withdrawal (Million Cubic Meter) <sup>EN3,*</sup>	67.20	65.49	61.32	54.77	54.05	GRI 303-3	25.4	3260 610 630		
Water withdrawal from freshwater (TDS ≤ 1,000 mg/L) (Million Cubic Meter) <sup>EN3,*</sup>										
• Surface water	21.76	21.10	19.50	17.08	18.17	GRI 303-3	25.4	3260 610	2.3.4	
• Groundwater	44.97	44.00	41.41	30.64	35.45	GRI 303-3	25.4	3260 610	2.3.4	
• Seawater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260 610	2.3.4	
• Tap water or Third-party	0.48	0.40	0.41	0.42	0.43	GRI 303-3	25.4	3260 610	2.3.4	
Water withdrawal from freshwater (TDS > 1,000 mg/L) (Million Cubic Meter) <sup>EN3,*</sup>										
• Surface water	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260 610	2.3.4	
• Groundwater	0.00	0.00	0.00	7.00	0.00	GRI 303-3	25.4	3260 610	2.3.4	
• Seawater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260 610	2.3.4	
• Tap water or Third-party	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260 610	2.3.4	

### Water Withdrawal Reduction Compare with Business as Usual at Base Year of 2014

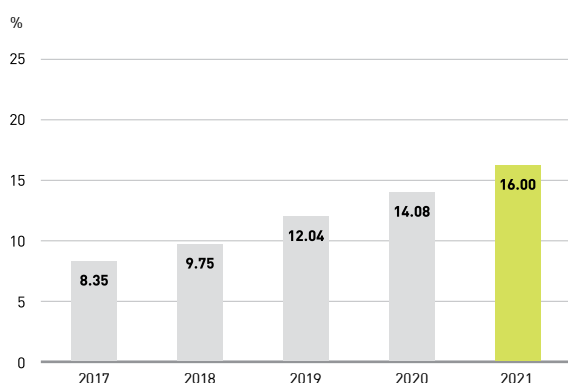


### Water Withdrawal and Effluent Quality

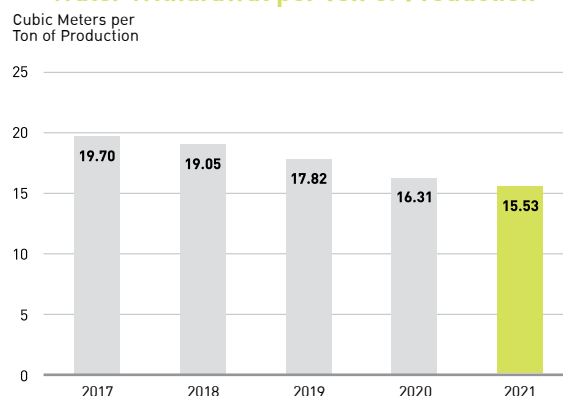
Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Water withdrawal from freshwater (TDS ≤ 1,000 mg/L) in water stress area (Million Cubic Meter) EN3,*										
• Surface water	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260/610	2.3.4	
• Groundwater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260/610	2.3.4	
• Seawater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260/610	2.3.4	
• Tap water or Third-party	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260/610	2.3.4	
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	25.4	3260/610		
• Groundwater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260/610		
• Seawater	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260/610		
• Tap water or Third-party	0.00	0.00	0.00	0.00	0.00	GRI 303-3	25.4	3260/610		
Water Withdrawal Reduction compare with business as usual at base year of 2014 (Million Cubic Meter)	-0.53	2.96	7.12	11.07	13.02			3260/610		
Water Withdrawal Reduction compare with business as usual at base year of 2014 (%)	-0.80	4.32	10.40	16.81	19.40			3260/610		
Recycle Water (Million Cubic Meter)*	6.12	7.07	8.39	8.97	10.33			3260/610		
Proportion of Recycled Water (%)	8.35	9.75	12.04	14.08	16.00			3260/610		
Water Withdrawal (Cubic Meter per Ton of Production)	19.70	19.05	17.82	16.31	15.53			3260/610		
Water Withdrawal Target compare with business as usual at base year of 2014 (Million Cubic Meter)	66.67	68.45	68.44	65.84	67.01		25.2	3260/610		
Water Withdrawal Target (Million Cubic Meter per Ton of Production)	19.54	19.91	19.88	19.60	19.27		25.2	3260/610		
Water discharge to surface water (Million Cubic Meter) EN3,*	NA	NA	NA	30.84	42.60	GRI 303-4	25.4	3260/610	2.3.4	
Water discharge to groundwater (Million Cubic Meter) EN3,*	NA	NA	NA	1.16	0.00	GRI 303-4	25.4	3260/610	2.3.4	
Water discharge to seawater (Million Cubic Meter) EN3,*	NA	NA	NA	0.00	0.00	GRI 303-4	25.4	3260/610	2.3.4	
Water discharge to third-party water (total) (Million Cubic Meter) EN3,*	NA	NA	NA	4.69	3.91	GRI 303-4	25.4	3260/610	2.3.4	
Third-party water sent for use to other organizations (Million Cubic Meter) EN3,*	NA	NA	NA	4.62	3.81	GRI 303-4	25.4	3260/610	2.3.4	
Total water discharge (Million Cubic Meter) EN3,*	NA	NA	NA	36.69	46.51	GRI 303-4	25.4	3260/610	2.3.4	
Water discharge by freshwater (TDS ≤ 1,000 mg/L) (Million Cubic Meter) EN3,*	NA	NA	NA	4.31	7.16	GRI 303-4	25.4	3260/610	2.3.4	
Water discharge by other water (TDS > 1,000 mg/L) (Million Cubic Meter) EN3,*	NA	NA	NA	32.39	39.35	GRI 303-4	25.4	3260/610	2.3.4	
Water discharge by freshwater (TDS ≤ 1000 mg/L) in water stress area (Million Cubic Meter) EN3,*	NA	NA	NA	0.00	0.00	GRI 303-4	25.4	3260/610		
Water discharge by other water (TDS > 1,000 mg/L) in water stress area (Million Cubic Meter) EN3,*	NA	NA	NA	0.00	0.00	GRI 303-4	25.4	3260/610		
BOD (Tons) EN3	355	214	147	153	172		25.4	3260/610		
COD (Tons) EN3	5,899	5,074	4,224	3,623	4,103		25.4	3260/610		
TSS (Tons) EN3	965	792	572	505	440		25.4	3260/610		

\* Within Deloitte's limited assurance scope [page 106-107]

### Portion of Recycled Water



### Water Withdrawal per Ton of Production



### Waste Management/Air Emission/Environmental Expenditures and Benefits/Violations of Legal Obligations and Regulations

Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Hazardous Waste Generation (Thousand Tons) EN4,*	1.03	1.61	2.00	2.66	2.98	GRI 306-3	25.4	610 630	2.3.5	
Hazardous Waste Generation (Kilograms per Ton of Production)	0.30	0.47	0.58	0.79	0.86			610		
Hazardous Waste Management EN4 • Reuse/Recycled/Other Recovery/Incineration with Energy Recovery (Thousand Tons)	0.74	1.24	1.77	2.66	2.94	GRI 306-4 GRI 306-5	25.4	610 3501	2.3.5	
• Incineration without energy recovery (Thousand Tons)	0.27	0.32	0.06	0.02	0.01	GRI 306-5	25.4	610	2.3.5	6e
• Landfilling (Tons)	1.00	0.00	0.00	0.77	0.00	GRI 306-5	25.4	610	2.3.5	6d
Hazardous Waste in the storage at the end of year (Thousand Tons) EN4	NA	NA	0.13	0.11	0.14		25.4	610		
Non Hazardous Waste Generation (Thousand Tons) EN4,*	1,025.32	1,065.08	1,053.91	1,042.74	1,108.77	GRI 306-3	25.4	610 630	2.3.5	
Non Hazardous Waste Generation (Kilograms per Ton of Production)	300.56	309.74	306.19	310.44	318.60			610		
Non Hazardous Waste Management EN4 • Reuse/Recycled/Other Recovery/Incineration with Energy Recovery (Thousand Tons)	1,044.21	1,011.10	1,074.48	1,064.32	1,129.30	GRI 306-5 GRI 306-4	25.4	610 3501	2.3.5	
• Incineration without energy recovery (Thousand Tons)	1.32	0.40	0.28	0.00	0.00	GRI 306-5	25.4	610	2.3.5	6e
• Landfilling (Tons)	0.00	0.00	0.00	0.00	0.00	GRI 306-5	25.4	610	2.3.5	6d
Non Hazardous Waste in the storage at the end of year (Thousand Tons) EN4	NA	NA	145.22	123.63	103.10		25.4	610		
Oxides of Nitrogen (Thousand Tons) EN5	2.53	2.86	2.48	2.97	NA	GRI 305-7	25.4	610		
Oxides of Nitrogen by CEMs (Thousand Tons) EN5,*	NA	NA	NA	3.12	3.14					
Oxides of Sulfur (Thousand Tons) EN5	2.68	2.20	1.81	2.57	NA	GRI 305-7	25.4	610		
Oxides of Sulfur by CEMs (Thousand Tons) EN5,*	NA	NA	NA	2.28	1.99					
Dust (Thousand Tons) EN5	0.41	0.39	0.34	0.31	NA	GRI 305-7	25.4	610		
Dust by CEMs (Thousand Tons) EN5,*	NA	NA	NA	0.64	0.52					
Operating Expenses-Environment (Million Baht)	889	722	681	742	739			610	2.2.3	
Capital Investments-Environment (Million Baht)	178	347	383	330	512			610	2.2.3	
Tax Incentives linked to environment investment EN6	NA	19	17	8	70			610	2.2.3	
Number of violations of legal obligations/regulations (Number of Cases) EN7	0	0	0	0	0	GRI 307-1	25.4	610	2.2.4	
Amount of fines/penalties related to the above. (Baht) EN7	0	0	0	0	0	GRI 307-1			2.2.4	
Environmental liability accrued at year end. (Baht) EN7	0	0	0	0	0	GRI 307-1			2.2.4	

\* Within Deloitte's limited assurance scope (page 106-107)



**Waste diverted from disposal - Thailand, GRI 306-4\***

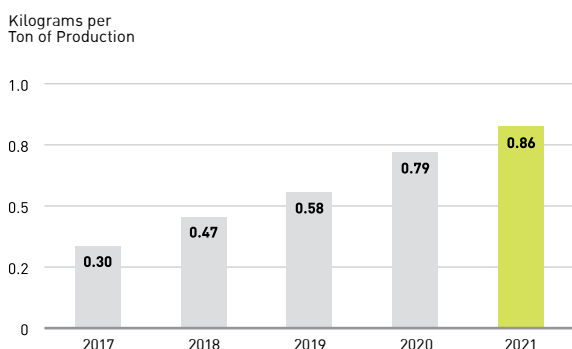
2021 (Tons)					
	Inside SCGP		Outside SCGP		Total
	Onsite		Offsite		
	Factory	In SCGP	In SCG	Out SCG	
<b>Hazardous Waste</b>					
Reuse	0.00	0.00	0.00	21.36	<b>21.36</b>
Recycling	2.82	0.00	49.76	625.17	<b>677.75</b>
Other recovery operations	0.00	0.00	0.00	87.34	<b>87.34</b>
Treatment	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>2.82</b>	<b>0.00</b>	<b>49.76</b>	<b>733.87</b>	<b>786.45</b>
<b>Non Hazardous Waste</b>					
Reuse	0.00	6,264.28	0.00	76.73	<b>6,341.01</b>
Recycling	72,055.29	206,205.53	121,518.08	185,607.00	<b>585,385.90</b>
Other recovery operations	0.00	0.00	0.00	25.63	<b>25.63</b>
Treatment	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>72,055.29</b>	<b>212,469.81</b>	<b>121,518.08</b>	<b>185,709.36</b>	<b>591,752.54</b>

**Waste directed to disposal - Thailand, GRI 306-5\***

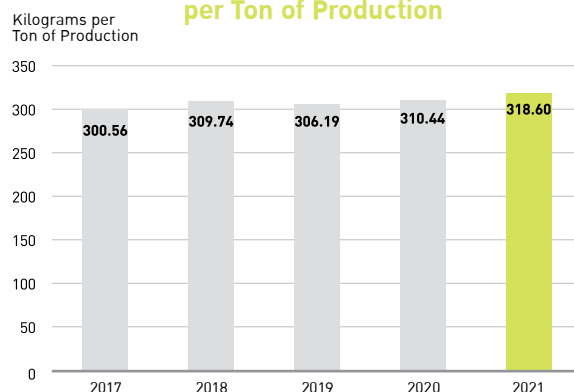
2021 (Tons)					
	Inside SCGP		Outside SCGP		Total
	Onsite		Offsite		
	Factory	In SCGP	In SCG	Out SCG	
<b>Hazardous waste</b>					
Incineration (with energy recovery)	0.00	0.00	6.25	2,143.85	<b>2,150.10</b>
Incineration (without energy recovery)	0.00	0.00	0.00	9.67	<b>9.67</b>
Landfilling	0.00	0.00	0.00	0.00	<b>0.00</b>
Other disposal operations	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>6.25</b>	<b>2,153.52</b>	<b>2,159.77</b>
<b>Non-hazardous waste</b>					
Incineration (with energy recovery)	287,390.59	24,898.23	33,519.07	191,736.26	<b>537,544.15</b>
Incineration (without energy recovery)	0.00	0.00	0.00	0.00	<b>0.00</b>
Landfilling	0.00	0.00	0.00	0.00	<b>0.00</b>
Other disposal operations	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>287,390.59</b>	<b>24,898.23</b>	<b>33,519.07</b>	<b>191,736.26</b>	<b>537,544.15</b>

\* Within Deloitte's limited assurance scope (page 106-107)

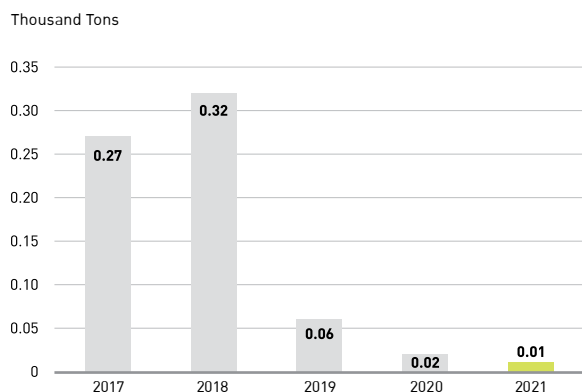
**Hazardous Waste Generation per Ton of Production**



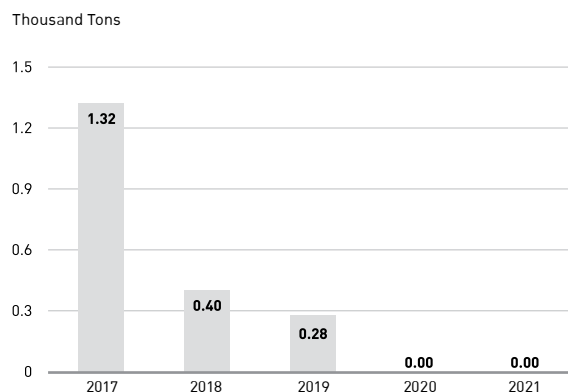
**Non Hazardous Waste Generation per Ton of Production**



### Hazardous Waste Management Incinerated without Energy Recovery



### Non Hazardous Waste Management Incinerated without Energy Recovery



<b>EN0.1</b>	
	Raw materials and recycled materials from both domestic and international factories are included in the volume of raw materials and recycle materials stated in Y2017-2020. Raw materials and recycled materials quantities domestic and international factories will be reported separately in Y2021.

<b>EN1</b>	<b>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 Greenhouse gases directly generated [Scope 1] It is arised from the production process or various activities with a source in the supervision and management of a company or factory, such as the emission of greenhouse gases arising from stationary combustion, Greenhouse gas emissions arising from moving combustion, Greenhouse gas emissions arising from the leak Emissions of greenhouse gases resulting 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 of natural origin.</p> <p>1.2 Greenhouse gas indirectly generated [Scope 2] It is caused 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 gases indirectly generated [Scope 3] It is arised from other indirect greenhouse gas emissions are the amount of GHGs arising from activities other than those specified in Category 1 and Type 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>

<b>EN1</b>	<b>Greenhouse gas</b>
	<p><b>2. Volume reporting</b></p> <p>2.1 Calculation of greenhouse gas emissions from direct production processes (Scope 1)</p> <ul style="list-style-type: none"> <li>Caused by the combustion process.             <ul style="list-style-type: none"> <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> </li> </ul> <p><b>3. Greenhouse gas emission reporting</b></p> <p>3.1 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> <p>3.2 Used the data of 2020 both Thailand and abroad (Include PT Fajar Surya Wisesa Tbk.) to serve as the base year to set target to reduce greenhouse gas emission 20 percent by 2030 and Net Zero by 2050.</p>

<b>EN1.1</b>	
	1. The performance of greenhouse gas emission in 2017-2020 (Thailand only) was compared with Business As Usual (BAU) at the base year 2007 and used the data of 2020 to serve as the base year to set target to reduce greenhouse gas emission both Thailand and abroad and Net zero by 2050.

<b>EN2</b>	<b>Energy</b>
	<p>Total energy consumption includes all thermal and electricity used in the company/factory areas. For the details on thermal energy, the amount and ration of alternative fuel utilization is also presented, together with the addition of renewable biomass, renewable industrial waste and non-renewable industrial waste.</p> <ul style="list-style-type: none"> <li>• 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)</li> <li>• 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.</li> <li>• Alternative Fuel = renewable biomass, renewable industrial waste and non-renewable industrial waste that can produce heat and energy.</li> <li>• Renewable biomass = fuel from wood chip, pin chip, bark and bagasse.</li> <li>• Renewable Industrial waste = fuels produced from renewable resources for examples black liquor from pulp process, biogas and sludge from wastewater treatment plant.</li> <li>• Non-renewable Industrial waste = waste material rejects including residue leftover from production processes such as waste rejects and used oil.</li> <li>• 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.</li> </ul>
<b>EN3</b>	<b>Water</b>
<b>EN4</b>	<p>Water management (water withdrawal, water discharge, water treatment and water recycling) is considered in order to assess efficiency of water from various sources</p> <ul style="list-style-type: none"> <li>• 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 surface water, groundwater, tap water and recycled water- the treated water returned to the process. It is obtaining data from accounting evidences or meter reading.</li> <li>• 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 <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> </li> <li>• Water recycling, the reused water in a factory's activities after treatment processes, excluding water that has not undergone the treatment process.</li> <li>• 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.</li> <li>• 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 <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> </li> </ul>
<b>EN5</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. The quantity of industrial waste 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>Volume Reporting</b></p> <p>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>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>The amount of industrial waste to be disposed of (Waste Manage) refers to the amount of waste, to be managed both inside and outside SCGP compiled from weighting scale only</p> <p>SCGP's internal waste management (Onsite) means waste management operated by companies within the scope of SCGP's management.</p> <p>SCGP's external waste management (Offsite) means waste management operated by companies outside the scope of SCGP's management.</p> <p>Reporting of waste management quantities from 2017-2020 in accordance with GRI 306, 2016</p> <p>Reporting of waste management quantities since 2021 in accordance with GRI 306-4, 2020 and GRI 306-5, 2020</p>
<b>EN6</b>	<b>Air Emission</b>
<b>EN7</b>	<p>Air emissions are the quantity of air pollution such as NOx, SOx, 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>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>• Consumer Industrial Packaging and Performance Polymer Packaging Business carried out the measurement of air pollution emissions from stacks by Spot Check. according to the actual conditions while measuring by a laboratory that is certified and registered with the Department of Industrial Works.</li> <li>• In 2021, Pulp and Paper business began to report the results of air pollution emissions from stack by Continuous Emission Monitoring System, CEMs). And 2020 data is used for both Thailand and abroad (Include PT Fajar Surya Wisesa Tbk.) with CEMs as the base year to determine air emission reduction targets.</li> </ul> <p>a. Oxides of Nitrogen 0.797 Thousand Tons  b. Oxides of Sulfur 1.61 Thousand Tons  c. Particulate Matter 0.35 Thousand Tons</p> <p>Note : Performance of abroad air emission in 2020 by Continuous Emission Monitoring System : CEMs</p>
<b>EN6</b>	<b>Including Tax privilege from the Board of Investment (BOI) for environmental projects.</b>
<b>EN7</b>	<b>Amount of Fines or Compare fines in case of violation of Legal binding /regulatory obligations are over US\$10,000.</b>

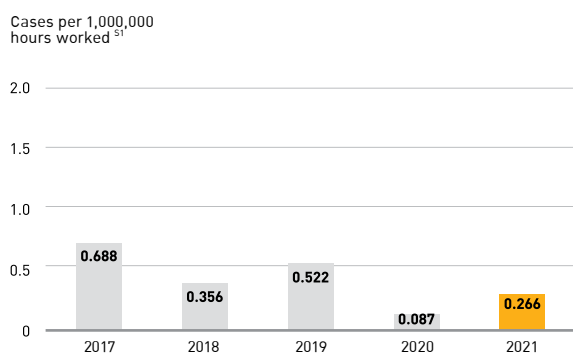
## Social Performance

### Health and Safety

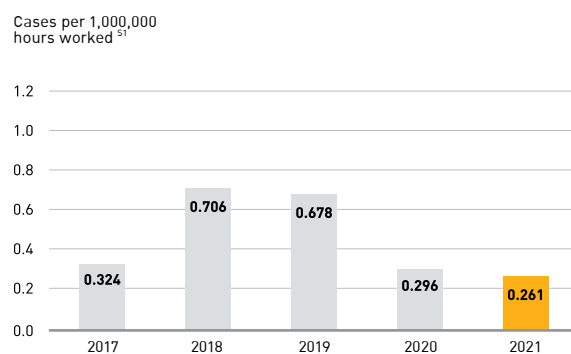
Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Lost Time Injury Frequency Rate : LTIFR (Cases per 1,000,000 hours worked) <sup>51</sup>										
• Employee	0.688	0.356	0.522	0.087	0.266		40.5		3.73	
• Contractor	0.324	0.706	0.678	0.296	0.261		46.1		3.74	
Injury Severity Rate : ISR (Cases per 1,000,000 hours worked) <sup>51</sup>										
• Employee	8.994	4.528	10.200	0.831	2.788					
• Contractor	3.937	7.109	8.098	8.155	5.556					
Total Number of Work-Related Fatalities (Cases) <sup>51</sup>							33.3	601		
• Employee (male : female)	0 : 0	0 : 0	0 : 0	0 : 0	1 : 0		40.6	610		
• Contractor (male : female) (Workplace and Direct Transportation)	0 : 0	1 : 0	0 : 0	0 : 0	0 : 0		33.3	601		
Total Number of Fatalities from Work-Related in Workplace (Cases) <sup>51</sup>							33.3	601		
• Employee (male : female)	0 : 0	0 : 0	0 : 0	0 : 0	1 : 0		40.6	610		
• Contractor (male : female)	0 : 0	1 : 0	0 : 0	0 : 0	0 : 0		33.3	601		
Total Number of Fatalities from Work-Related in Transportation (Cases) <sup>51,*</sup>							33.3	601		
• Employee (male : female)	0 : 0	0 : 0	0 : 0	0 : 0	0 : 0	GRI 403-9	40.6	610		
• Direct Transportation Contractor (male : female)	0 : 0	0 : 0	0 : 0	0 : 0	0 : 0	GRI 403-9	33.3	601		
• Other Transportation Contractor (male : female)	0 : 0	0 : 0	2 : 0	0 : 0	0 : 0	GRI 403-9	46.2	610		
Number of Fatalities as a result of Work-Related Injury (Cases) <sup>51,*</sup>							33.3	601		
• Employee	0	0	0	0	1	GRI 403-9	40.6	610	3.72	
Fatalities as a result of Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>51,*</sup>							33.3	601		
• Employee	0.000	0.000	0.000	0.000	0.044	GRI 403-9	40.6	610		
Number of Fatalities as a result of Work-Related Injury (Cases) <sup>51,*</sup>							33.3	601		
• Contractor	0	1	0	0	0	GRI 403-9	46.2	610		
Fatalities as a result of Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>51,*</sup>							33.3	610		
• Contractor	0.000	0.050	0.000	0.000	0.000	GRI 403-9	46.2	610		

\* Within Deloitte's limited assurance scope (page 106-107)

Lost Time Injury Frequency Rate : LTIFR (Employee)



Lost Time Injury Frequency Rate : LTIFR (Contractor)



Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Number of High Consequence Work-Related Injury (Cases) <sup>S1,*</sup> • Employee	NA	NA	NA	0	0	GRI 403-9	33.3	601 610		
High Consequence Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup> • Employee	NA	NA	NA	0.000	0.000	GRI 403-9	33.3	601 610		
Number of High Consequence Work-Related Injury (Cases) <sup>S1,*</sup> • Contractor	NA	NA	NA	1	2	GRI 403-9	33.3	601 610		
High Consequence Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup> • Contractor	NA	NA	NA	0.027	0.065	GRI 403-9	33.3	601 610		
Number of Recordable Work-Related Injury (Cases) <sup>S1,*</sup> • Employee	41	30	30	23	26	GRI 403-9	33.3	601 610		
Recordable Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup> • Employee	2.169	1.526	1.423	1.006	1.151	GRI 403-9	33.3	601 610		
Number of Recordable Work-Related Injury (Cases) <sup>S1,*</sup> • Contractor	31	50	43	27	31	GRI 403-9	33.3	601 610		
Recordable Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup> • Contractor	1.672	2.521	1.823	0.727	1.013	GRI 403-9	33.3	601 610		
Hours worked (Hrs.) <sup>S1,*</sup> • Employee	18,901,992.00	19,654,400.95	21,078,804.75	22,869,682.70	22,593,454.96	GRI 403-9	33.3	601 610		
• Contractor	18,542,902.00	19,833,700.27	23,585,144.27	37,155,610.20	30,598,421.83	GRI 403-9	33.3	601 610		
Number of Occupational Illness & Disease (Cases),* • Employee	0	0	0	0	0	GRI 403-10	33.3	601 610		
• Contractor	0	0	0	0	0	GRI 403-10	33.3	601 610		
Number of Recordable Occupational Illness & Disease (Cases),* • Employee	0	0	0	0	0	GRI 403-10	33.3	601 610		
• Contractor	0	0	0	0	0	GRI 403-10	33.3	601 610		
Occupational Illness & Disease Frequency Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup> • Employee	0	0	0	0	0	GRI 403-10	33.3	601 610		

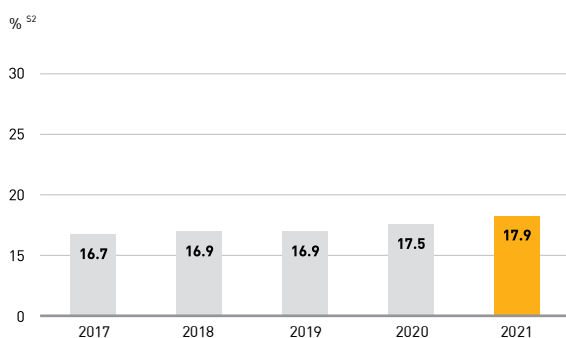
## Employees and Social Development

Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Number of employees (Persons)	6,818	6,748	6,660	6,416	8,845	GRI 102-8 GRI 102-7	33.3	601 610	0.1	
Female share of total workforce (%) <sup>S2</sup>	16.7	16.9	16.9	17.5	17.9	GRI 405-1	33.3	601 610 561	3.2.2	
Female in all management positions (%)	19.0	18.9	19.6	20.6	21.2	GRI 102-8	33.3	601 610 561	3.2.2	
Female in junior management positions (%)	20.7	20.8	21.3	23.0	23.5			561	3.2.2	
Female in top management positions (%)	9.1	6.3	10.5	7.7	8.1			561	3.2.2	
Female in management positions in revenue-generating functions (%) <sup>S3</sup>	30.2	26.3	27.0	28.4	23.0			561	3.2.2	
Share of women in STEM-related positions (as % of total STEM positions)	NA	NA	NA	NA	5.1				3.2.3	
Proportion of local senior management (%) <sup>S4</sup>	0.6	0.6	0.9	0.8	0.7			601 610		

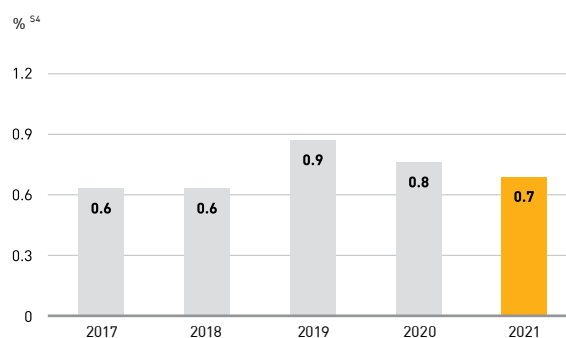
Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Average salary of Executive Level (base salary only) (Baht) <sup>55,*</sup>										
• Female	0	0	0	0	0	GRI 405-2	33.3	601 610	3.2.5	
• Male	5,983,000	6,342,000	6,723,000	6,844,000	5,368,444	GRI 405-2	33.3	601 610	3.2.5	
Ratio of average salary of female to male (Executive Level) (base salary only)*	0	0	0	0	0	GRI 405-2	33.3	601 610		
Executive level (base salary + other cash incentives) (baht)*										
• Female	NA	NA	NA	NA	0	GRI 405-2			3.2.5	
• male	NA	NA	NA	NA	8,955,339	GRI 405-2			3.2.5	
Ratio of average salary of female to male (Executive Level) (base salary + other cash incentives)*	NA	NA	NA	NA	0					
Average salary of Management Level (base salary only) (Baht)*										
• Female	2,120,000	2,203,000	2,363,000	2,331,000	2,208,303	GRI 405-2	33.3	601 610	3.2.5	
• Male	2,309,000	2,403,000	2,458,000	2,501,000	2,187,859	GRI 405-2	33.3	601 610	3.2.5	
Ratio of average salary of female to male (Management Level) (base salary only)*	0.918	0.917	0.961	0.932	1.009	GRI 405-2	33.3	601 610		
Average salary of Management Level (base salary + other cash incentives) (Baht)*										
• Female	2,938,000	3,148,000	3,170,000	3,143,000	2,942,157	GRI 405-2	33.3	601 610	3.2.5	
• Male	3,402,000	3,650,000	3,485,000	3,585,000	3,132,744	GRI 405-2	33.3	601 610	3.2.5	
Ratio of average salary of female to male (Management Level) (base salary + other cash incentives)*	0.864	0.862	0.910	0.877	0.939	GRI 405-2	33.3	601 610		
Average salary of Non-management Level (base salary only) (Baht) *										
• Female	508,000	533,000	563,000	584,000	584,901	GRI 405-2	8.4	601 610	3.2.5	
• Male	424,000	442,000	461,000	478,000	476,272	GRI 405-2	8.4	601 610	3.2.5	
Ratio of average salary of female to male (Non-management Level) (base salary only)*	1.198	1.206	1.221	1.222	1.228	GRI 405-2	33.3	601 610		
Average salary of Non-Management Level (base salary + other cash incentives) (Baht)*										
• Female	NA	NA	NA	NA	792,075					
• Male	NA	NA	NA	NA	773,453					
Ratio of average salary of female to male (Non-management Level) (base salary + other cash incentives)*	NA	NA	NA	NA	1.024					

\* Within Deloitte's limited assurance scope (page 106-107)

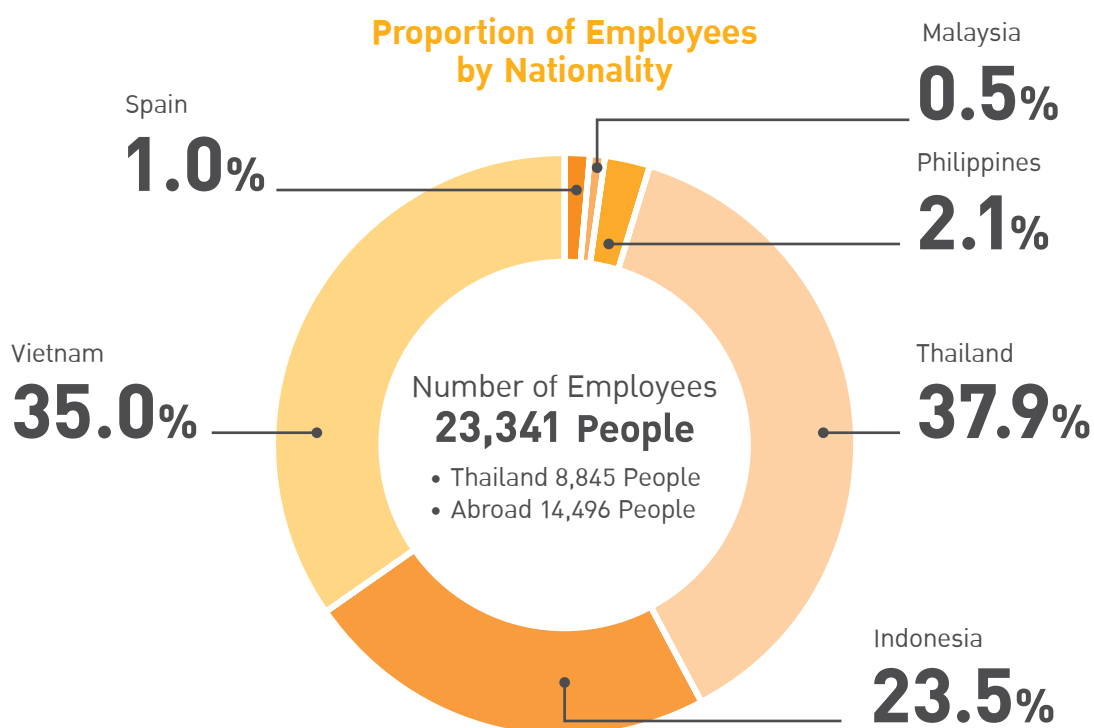
### Female Share of Total Workforce



### Proportion of Local Senior Management



Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Number of employees with disability (person) <sup>56</sup>	NA	NA	NA	NA	76	GRI 102-8,2016	35.4			
People with disability (%)	NA	NA	NA	NA	0.009				3.2.4	
Employees represented by an independent trade union or covered by collective bargaining agreements (%) <sup>57</sup>	100	100	100	100	100		33.3	601 610 561	3.2.6	
Proportion of Absence by Type (%)										
• Sick leave	16.0	17.0	14.7	13.0	8.0					
• Work-related leave	0	0	0	0	0					
• Others	83.9	83.0	85.2	87.0	92.0					
Number of new employees hire (Persons)	395	245	174	133	380	GRI 401-1	33.3	601 610	3.5.1	
Ratio of new employees hire (%)	5.8	3.6	2.6	2.1	4.3					
Average hiring cost of new employee/FTE	NA	NA	NA	NA	41,781				3.5.1	
Voluntary employee turnover (Persons)	231	235	228	289	653	GRI 401-1	33.3 39.5	601 610	3.5.6	
Voluntary employee turnover rate (%)	3.4	3.5	3.4	4.5	7.5		39.5			
Total employee turnover (Persons)	239	242	238	475	714	GRI 401-1	33.3 39.5	601 610	3.5.6	
Total employee turnover rate (%)	3.5	3.6	3.6	7.4	8.1		39.5			
Return to work after parental leave (Persons) <sup>58</sup>								601 610		
• Number of employees taken parental leave	44	30	42	34	42	GRI 401-3	33.3	601 610		
• Number of employees returned to work after parental leave	41	30	41	34	39	GRI 401-3	33.3	601 610		
Employee engagement level (%) <sup>59</sup>	60	74	74	80	76		39.2		3.5.7	
Average training and development of employee (Hour/Person)	8	8	7	4	2	GRI 404-1	33.3 37.4	601 610	3.4.1	
Average cost of hiring a new employee (Baht/Person)	33,271	50,920	31,617	20,387	16,296		37.4		3.4.1	
Employee volunteering during paid working hours (Million Baht)	NA	4	3	4	2				3.6.3	
In-kind giving: product or services donations, projects/partnerships or similar (Million Baht)	NA	28	11	7	29				3.6.3	
Management overheads related to CSR activity (Million Baht)	NA	22	26	34	25				3.6.3	



<b>S1</b>	<p><b>Data on Number of Employees and Contractors</b></p> <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> <p><b>Calculation of hours worked</b></p> <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> <p><b>Recording of Health and Safety Data</b></p> <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>
<b>S2</b>	<b>Calculate from the total number of employees excluded employees in the Companies no 5, 6, 15, 31 and 35 are in the Sustainability Report's scope.</b>
<b>S3</b>	<b>Revenue - generating functions, e.g., marketing, sales, production.</b>
<b>S4</b>	<b>Calculate from the total number of local Management overseas over the entire overseas staff.</b>
<b>S5</b>	<b>Total number of Company Executives.</b>
<b>S6</b>	<b>Visual and physical impairment and movement disabilities or others. e.g., hearing impairment, mental disability, communication disability.</b>
<b>S7</b>	<b>Employees joining trade unions or working with the company covered by the Welfare Committee.</b>
<b>S8</b>	<b>Consider only female employees on parental leave.</b>
<b>S9</b>	<b>Employee engagement level is conducted 2 years at a time.</b>

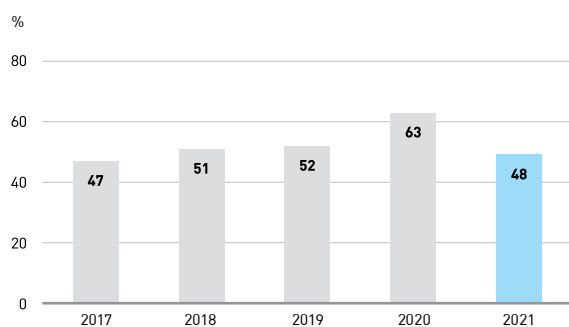


## Economic Performance

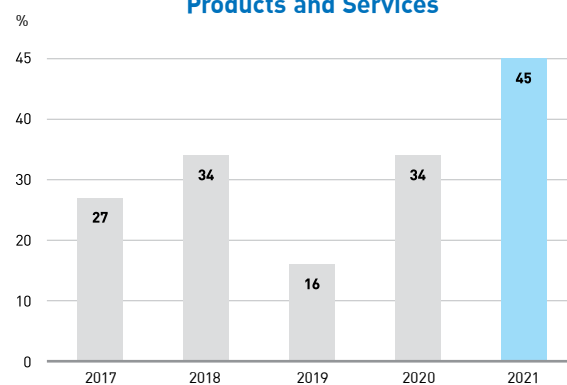
Economic Performance covers SCGP, subsidiaries, associates and other companies both Thailand and abroad

Performance	2017	2018	2019	2020	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Revenue from sales (Billion Baht)	81	87	89	93	124	GRI 201-1 GRI 10			0.1	
Profit for the year (Billion Baht)	4	6	5	6	8	GRI 201-1				
EBITDA (Billion Baht)	12	15	15	17	21	GRI 201-1				
Employee compensation comprising salary, wage, welfare and regular contributions (Million Baht)	8,318	8,673	10,025	10,603	11,687	GRI 201-1	8.4			
Dividend to shareholders (Million Baht) <sup>EC1</sup>	782	7,815	3,300	1,932	2,790	GRI 201-1				
Interest and financial expenses to lender (Million Baht)	883	1,040	1,741	1,452	1,180	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)	737	1,296	1,621	1,756	1,933	GRI 201-1				
Contributions to organizations (Baht) <sup>EC2</sup>	NA	NA	NA	500,177.01	2,447,321.15				1.6.1	
Contributions to political activities (Million Baht) <sup>EC3</sup>	0	0	0	0	0					
Privilege tax and others from investment promotion, and research and development (Million Baht)	375	406	408	244	293	GRI 201-1				
Non-compliance case through SCG Whistleblowing System (Cases)	7	8	3	10	8	GRI 205-3		610		
Research & Development and Innovation (Million Baht) <sup>EC4</sup>	574	425	584	529	958					
Suppliers that assessed Environmental, Social and Governance (ESG) Risks (% of procurement spending) <sup>EC5</sup>	NA	100	100	100	100					
Procurement Spending by Geography (% of procurement spending) <sup>EC6</sup>										
• Domestic	51	57	53	55	88					
• Regional	49	43	47	45	12					
Revenue from Sales of High Value Added Products and Services (Billion Baht)	38	44	46	58	59					
Revenue from Sales of High Value Added Products and Services (%)	47	51	52	63	48					
Revenue from Sales of SCG Green Choice Products and Services (Billion Baht)	22	30	14	31	56					
Revenue from Sales of SCG Green Choice Products and Services (%)	27	34	16	34	45					

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 paid in cash and ordinary shares referred to the SCGP Annual Report, especially in 2019.

EC2 The first seven organizations contributed by SCGP are the following alliances:- 1. The Federation of Thailand Industries, 2. Thailand Institute of Packaging and Recycling Management for Sustainable Environment, 3. A CIRCULAR ECONOMY FOR FLEXIBLE PACKAGING, 4. The Thai Chamber of Commerce, 5. Food Valley, 6. Technical Association of Pulp and Paper Industry, and 7. The Thai Pulp and Paper Industries Association

EC3 SCGP remains politically 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, a Report on the Investment in Research and Development including the Investment in innovations.

EC5 The Environmental, Social and Corporate Governance (ESG) risk assessment for business partner began in 2018.

EC6 Consider geography based on seller data and trading currency.

## Taxes paid to the government Authorities

Unit : MB	Year	Country					
		Thailand	Indonesia	Vietnam	Philippines	Malaysia	Consolidated
Revenue from sales <sup>1</sup>	2020	61,251	17,576	10,835	2,346	778	92,786
	2021	<b>70,773</b>	<b>28,115</b>	<b>19,045</b>	<b>3,620</b>	<b>976</b>	<b>124,223</b>
Profit (Loss) before Tax <sup>2</sup>	2020	6,746	470	1,288	(19)	(24)	8,241
	2021	<b>8,016</b>	<b>1,579</b>	<b>1,209</b>	<b>286</b>	<b>-</b>	<b>11,655</b>
Reported Taxes	2020	1,203	(348)	139	11	(1)	1,001
	2021	<b>1,339</b>	<b>577</b>	<b>102</b>	<b>65</b>	<b>(1)</b>	<b>2,065</b>
Effective Tax Rate (%) <sup>3</sup>	2020	18%	N/A	11%	N/A	4%	12%
	2021	<b>17%</b>	<b>37%</b>	<b>8%</b>	<b>23%</b>	<b>N/A</b>	<b>18%</b>
Headline CIT Tax Rate (%)		20%	22%	20%	25%	24%	N/A
Cash Taxes Paid	2020	1,117	172	162	38	-	1,489
	2021	<b>1,406</b>	<b>512</b>	<b>191</b>	<b>78</b>	<b>-</b>	<b>2,247</b>
Cash Tax Rate (%)	2020	17%	37%	13%	N/A	0%	18%
	2021	<b>18%</b>	<b>32%</b>	<b>16%</b>	<b>27%</b>	<b>N/A</b>	<b>19%</b>
<b>Additional Information: Total liability of taxes to government and local government authorities</b>							
Corporate Income Tax	2020	1,343	151	134	5	-	1,633
	2021	<b>1,084</b>	<b>508</b>	<b>161</b>	<b>57</b>	<b>-</b>	<b>1,818</b>
Property Tax	2020	29	-	-	14	-	43
	2021	<b>5</b>	<b>1</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>20</b>
Specific Business Tax	2020	-	-	-	15	-	15
	2021	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>11</b>
Others Tax	2020	1	35	26	-	3	65
	2021	<b>1</b>	<b>48</b>	<b>33</b>	<b>-</b>	<b>2</b>	<b>84</b>
Total Taxes	2020	1,373	186	160	34	3	1,756
	2021	<b>1,090</b>	<b>557</b>	<b>194</b>	<b>82</b>	<b>2</b>	<b>1,933</b>

<sup>1</sup> Sales Revenue breakdown by Geography based on customer's location

<sup>2</sup> Represent profit before share of profit of associates and income tax expense

<sup>3</sup> Calculated from reported taxes divided by profit before tax

In 2021, SCGP recognized income tax expenses amounted to Baht 2,065 million in consolidated financial statement and the calculated effective rate was 18%. The lower tax rate comparing to the corporation income tax rate in each country was mainly from tax privileges.

Total tax paid to government and local government authorities for the year 2021 amounted to 1,933 Million Baht.

## Sustainability Performance Data

### SCGP 2021 (ASEAN ex. - Thailand)

#### Environmental Performance

##### Production and Raw Materials

Performance	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Production (Thousand Tons)	2,220			610	0.1	6c
Total Raw Materials (Thousand Tons) <sup>EN0.1</sup>	2,712	GRI 301-1	25.4	610 630		6a, 6b
Recycled Materials (Thousand Tons) <sup>EN0.1</sup>	2,511	GRI 301-2	25.4	610 3501		6a, 6b
Renewable Materials (Ton) <sup>EN0.1</sup>	177	GRI 301-1			2.4.4	

##### Greenhouse Gas Emissions

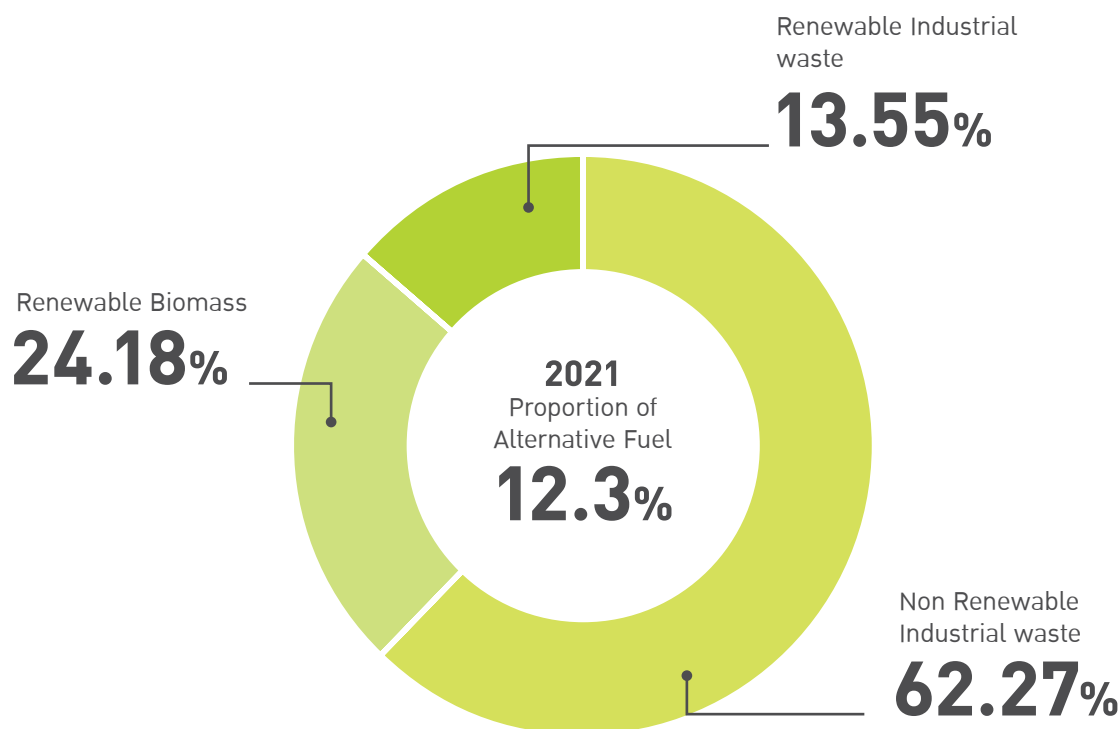
Performance	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
GHG Scope 1 (Million Tons CO <sub>2</sub> equivalent) <sup>EN1,*</sup>	1.85	GRI 305-1	25.4 32.6	610 305 630	2.3.1	
GHG Scope 2 (Million Tons CO <sub>2</sub> equivalent) <sup>EN1,*</sup>	0.24	GRI 305-2	25.4 32.6	610 305 630	2.3.2	
GHG Scope 1 and 2 (Million Tons CO <sub>2</sub> equivalent) <sup>EN1</sup>	2.09		32.6	610 305 630		
Biogenic CO <sub>2</sub> (Million Tons CO <sub>2</sub> equivalent)	0.1					
GHG Emission Reduction compare with base year of 2020 (Million Tons CO <sub>2</sub> equivalent) <sup>EN1.1</sup>	-0.02	GRI 305-5	25.4 32.6	610 305 630		
GHG Emission Reduction compare with base year of 2020 (%)	-0.8	GRI 305-5	25.4 32.6	610 305 630		
GHG Emission (Tons CO <sub>2</sub> equivalent per Ton of Production)	0.94		32.6	610 305 630		
GHG Emission Target compare with base year of 2020 (Million Tons CO <sub>2</sub> equivalent) <sup>EN1.1</sup>	2.03		25.2 32.6	610 305	2.5.9	
GHG Emission Target (Tons CO <sub>2</sub> equivalent per Ton of Production)	0.91		25.2 32.6	610 305		

##### Energy Consumption

Performance	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Total Energy Consumption (Petajoules) <sup>EN2,*</sup>	23.27	GRI 302-1	25.4	610 305 630		
Heating and Steam Consumption (Petajoules) <sup>EN2,*</sup>	22.19	GRI 302-1	25.4	610 305 630		
Alternative Fuel (Petajoules) <sup>EN2</sup>						
• Total Renewable Fuel*	1.03	GRI 302-1	25.4	610	2.3.3	
• Renewable Biomass	0.66	GRI 302-1	25.4	305	2.3.3	
• Renewable Industrial Waste	0.37	GRI 302-1	25.4	630	2.3.3	
• Non Renewable Industrial Waste	1.7	GRI 302-1	25.4		2.3.3	
Proportion of Alternative Fuel (%) <sup>EN2</sup>	12.3	GRI 302-1	25.4	610 305 630		
Nonrenewable fuels (nuclear fuels, coal, oil, natural gas, etc.) Consumption (Petajoules)*	21.16	GRI 302-3	NA	2.3.3		

\* Within Deloitte's limited assurance scope (page 106-107)

### Alternative Fuel



### Energy Consumption

Performance	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Electrical Consumption (Gigawatt Hours) <sup>EN2,*</sup>	299.85	GRI 302-1	25.4	610 305 630		
Electricity Sold (Petajoules)*	0	GRI 302-1	25.4	610 305	2.3.3	
Energy Consumption Reduction compare with business as usual (BAU) at base year of 2007 (Petajoules)	1.55	GRI 302-4	25.4	610 305 630		
Energy Consumption Reduction compare with business as usual (BAU) at base year of 2007 (%)	6.2	GRI 302-4	25.4	610 305 630		
Energy Consumption (Gigajoules per Ton of Production)	10.48			610 305 630		
Energy Consumption Target compare with business as usual (BAU) at base year of 2007 (Petajoules)	24.82		25.2	610 305		
Energy Consumption Target (Gigajoules per Ton of Production)	11.18		25.2	610 305		

### Water Withdrawal and Effluent Quality

Performance	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Total water withdrawal (Million Cubic Meter) <sup>EN3,*</sup>	24.80	GRI 303-3	25.4	3260 610 630		
Water withdrawal from freshwater (TDS ≤ 1,000 mg/L) (Million Cubic Meter) <sup>EN3,*</sup>						
• Surface water	16.07	GRI 303-3	25.4	3260 610	2.3.4	
• Groundwater	4.38	GRI 303-3	25.4	3260 610	2.3.4	
• Seawater	0	GRI 303-3	25.4	3260 610	2.3.4	
• Tap water or Third-party	4.35	GRI 303-3	25.4	3260 610	2.3.4	

## Water Withdrawal and Effluent Quality

Performance	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Water withdrawal from freshwater (TDS > 1,000 mg/L) (Million Cubic Meter) <sup>EN3,*</sup>						
• Surface water	0	GRI 303-3	25.4	3260 610	2.3.4	
• Groundwater	0	GRI 303-3	25.4	3260 610	2.3.4	
• Seawater	0	GRI 303-3	25.4	3260 610	2.3.4	
• Tap water or Third-party	0	GRI 303-3	25.4	3260 610	2.3.4	
Water withdrawal from freshwater (TDS ≤ 1,000 mg/L) in water stress area (Million Cubic Meter) <sup>EN3,*</sup>						
• Surface water	0	GRI 303-3	25.4	3260 610	2.3.4	
• Groundwater	0	GRI 303-3	25.4	3260 610	2.3.4	
• Seawater	0	GRI 303-3	25.4	3260 610	2.3.4	
• Tap water or Third-party	0	GRI 303-3	25.4	3260 610	2.3.4	
Water withdrawal from freshwater (TDS > 1,000 mg/L) in water stress area (Million Cubic Meter) <sup>EN3,*</sup>						
• Surface water	0	GRI 303-3	25.4	3260 610		
• Groundwater	0	GRI 303-3	25.4	3260 610		
• Seawater	0	GRI 303-3	25.4	3260 610		
• Tap water or Third-party	0	GRI 303-3	25.4	3260 610		
Water Withdrawal Reduction compare with business as usual at base year of 2014 (Million Cubic Meter)	15.06			3260 610		
Water Withdrawal Reduction compare with business as usual at base year of 2014 (%)	37.80			3260 610		
Recycle Water (Million Cubic Meter)*	2.76		25.4	3260 610		
Proportion of Recycled Water (%)	10.00			3260 610		
Water Withdrawal (Cubic Meter per Ton of Production)	11.17			3260 610		
Water Withdrawal Target compare with business as usual at base year of 2014 (Million Cubic Meter)	39.87		25.2	3260 610		
Water Withdrawal Target (Million Cubic Meter per Ton of Production)	17.96		25.2	3260 610		
Water discharge to surface water (Million Cubic Meter) <sup>EN3</sup>	15.53	GRI 303-4	25.4	3260 610	2.3.4	
Water discharge to groundwater (Million Cubic Meter) <sup>EN3</sup>	0	GRI 303-4	25.4	3260 610	2.3.4	
Water discharge to seawater (Million Cubic Meter) <sup>EN3</sup>	0	GRI 303-4	25.4	3260 610	2.3.4	
Water discharge to third-party water (total) (Million Cubic Meter) <sup>EN3</sup>	0.03	GRI 303-4	25.4	3260 610	2.3.4	
Third-party water sent for use to other organizations (Million Cubic Meter) <sup>EN3</sup>	0	GRI 303-4	25.4	3260 610	2.3.4	
Total water discharge (Million Cubic Meter) <sup>EN3</sup>	15.55	GRI 303-4	25.4	3260 610	2.3.4	
Water discharge by freshwater (TDS ≤ 1,000 mg/L) (Million Cubic Meter) <sup>EN3</sup>	11.98	GRI 303-4	25.4	3260 610	2.3.4	
Water discharge by other water (TDS > 1,000 mg/L) (Million Cubic Meter) <sup>EN3</sup>	3.58	GRI 303-4	25.4	3260 610	2.3.4	
Water discharge by freshwater (TDS ≤ 1000 mg/L) in water stress area (Million Cubic Meter) <sup>EN3</sup>	0	GRI 303-4	25.4	3260 610		
Water discharge by other water (TDS > 1,000 mg/L) in water stress area (Million Cubic Meter) <sup>EN3</sup>	0	GRI 303-4	25.4	3260 610		
BOD (Tons) <sup>EN3</sup>	1,288		25.4	3260 610		
COD (Tons) <sup>EN3</sup>	3,990		25.4	3260 610		
TSS (Tons) <sup>EN3</sup>	714		25.4	3260 610		

\* Within Deloitte's limited assurance scope (page 106-107)

### Waste Management/Air Emission/Environmental Expenditures and Benefits/Violations of Legal Obligations and Regulations

Performance	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Hazardous Waste Generation (Thousand Tons) <sup>EN4</sup>	60.97	GRI 306-3	25.4	610 630	2.3.5	
Hazardous Waste Generation (Kilograms per Ton of Production)	27.47			610		
Hazardous Waste Management <sup>EN4</sup>						
• Reuse/Recycled/Other Recovery/Incineration with Energy Recovery (Thousand Tons)	47.30	GRI 306-4 GRI 306-5	25.4	610 3501	2.3.5	
• Incineration without energy recovery (Thousand Tons)	0.05	GRI 306-5	25.4	610	2.3.5	6e
• Landfilling (Tons)	14,804	GRI 306-5	25.4	610	2.3.5	6d
Hazardous Waste in the storage at the end of year (Thousand Tons) <sup>EN4</sup>	0.04		25.4	610		
Non Hazardous Waste Generation (Thousand Tons) <sup>EN4</sup>	380.09	GRI 306-3	25.4	610 630	2.3.5	
Non Hazardous Waste Generation (Kilograms per Ton of Production)	171.23			610		
Non Hazardous Waste Management <sup>EN4</sup>						
• Reuse/Recycled/Other Recovery/Incineration with Energy Recovery (Thousand Tons)	340.61	GRI 306-5 GRI 306-4	25.4	610 3501	2.3.5	
• Incineration without energy recovery (Thousand Tons)	36.05	GRI 306-5	25.4	610	2.3.5	6e
• Landfilling (Tons)	2,945.86	GRI 306-5	25.4	610	2.3.5	6d
Non Hazardous Waste in the storage at the end of year (Thousand Tons) <sup>EN4</sup>	0.00		25.4	610		
Oxides of Nitrogen (Thousand Tons) <sup>EN5</sup>	NA	GRI 305-7	25.4	610		
Oxides of Nitrogen by CEMs (Thousand Tons) <sup>EN5</sup>	0.69					
Oxides of Sulfur (Thousand Tons) <sup>EN5</sup>	NA	GRI 305-7	25.4	610		
Oxides of Sulfur by CEMs (Thousand Tons) <sup>EN5</sup>	1.81					
Dust (Thousand Tons) <sup>EN5</sup>	NA	GRI 305-7	25.4	610		
Dust by CEMs (Thousand Tons) <sup>EN5</sup>	0.43					
Operating Expenses-Environment (Million Baht)	NA			610	2.2.3	
Capital Investments-Environment (Million Baht)	NA			610	2.2.3	
Tax Incentives linked to environment investment	NA			610	2.2.3	
Number of violations of legal obligations/regulations (Number of Cases)	NA	GRI 307-1	25.4	610	2.2.4	
Amount of fines/penalties related to the above. (Baht)	NA	GRI 307-1			2.2.4	
Environmental liability accrued at year end. (Baht)	NA	GRI 307-1			2.2.4	

## Waste diverted from disposal - ASEAN ex. - Thailand, GRI 306-4

2021 (Tons)					
	Inside SCGP		Outside SCGP		Total
	Onsite		Offsite		
	Factory	In SCGP	In SCG	Out SCG	
<b>Hazardous Waste</b>					
Reuse	0.00	0.00	0.00	237.27	<b>237.27</b>
Recycling	0.00	0.00	0.00	29,737.58	<b>29,737.58</b>
Other recovery operations	0.00	0.00	0.00	195.29	<b>195.29</b>
Treatment	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>30,170.14</b>	<b>30,170.14</b>
<b>Non Hazardous Waste</b>					
Reuse	0.00	0.00	0.00	12,816.73	<b>12,816.73</b>
Recycling	46,305.27	0.00	0.00	152,033.02	<b>152,033.02</b>
Other recovery operations	0.00	0.00	0.00	0.00	<b>0.00</b>
Treatment	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>46,305.27</b>	<b>0.00</b>	<b>0.00</b>	<b>164,849.75</b>	<b>164,849.75</b>

## Waste directed to disposal - ASEAN ex. - Thailand, GRI 306-5

2021 (Tons)					
	Inside SCGP		Outside SCGP		Total
	Onsite		Offsite		
	Factory	In SCGP	In SCG	Out SCG	
<b>Hazardous Waste</b>					
Incineration (with energy recovery)	17,045.12	0.00	0.00	83.47	<b>17,128.59</b>
Incineration (without energy recovery)	0.00	0.00	0.00	54.93	<b>54.93</b>
Landfilling	0.00	0.00	0.00	14,804.02	<b>14,804.02</b>
Other disposal operations	0.00	0.00	0.00	257.82	<b>257.82</b>
<b>Total</b>	<b>17,045.12</b>	<b>0.00</b>	<b>0.00</b>	<b>15,200.24</b>	<b>32,245.35</b>
<b>Non Hazardous Waste</b>					
Incineration (with energy recovery)	129,459.92	0.00	0.00	0.00	<b>129,459.92</b>
Incineration (without energy recovery)	0.00	0.00	0.00	36,051.72	<b>36,051.72</b>
Landfilling	0.00	0.00	0.00	2,945.86	<b>2,945.86</b>
Other disposal operations	0.00	0.00	0.00	472.85	<b>472.85</b>
<b>Total</b>	<b>129,459.92</b>	<b>0.00</b>	<b>0.00</b>	<b>39,470.43</b>	<b>168,930.35</b>

EN0.1	
	<p>Raw materials and recycled materials from both domestic and international factories are included in the volume of raw materials and recycle materials stated in Y2017-2020. Raw materials and recycled materials quantities domestic and international factories will be reported separately in Y2021.</p>
EN1	<p><b>Greenhouse gas</b></p>
	<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 Greenhouse gases directly generated (Scope 1) It is arised from the production process or various activities with a source in the supervision and management of a company or factory, such as the emission of greenhouse gases arising from stationary combustion, Greenhouse gas emissions arising from moving combustion, Greenhouse gas emissions arising from the leak Emissions of greenhouse gases resulting 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 of natural origin.</p> <p>1.2 Greenhouse gas indirectly generated (Scope 2) It is caused 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 gases indirectly generated (Scope 3) It is arised from other indirect greenhouse gas emissions are the amount of GHGs arising from activities other than those specified in Category 1 and Type 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>
EN1	<p><b>Greenhouse gas</b></p>
	<p><b>2. Volume reporting</b></p> <p>2.1 Calculation of greenhouse gas emissions from direct production processes (Scope 1)</p> <ul style="list-style-type: none"> <li>• Caused by the combustion process.             <ul style="list-style-type: none"> <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> </li> </ul> <p>2.2 Calculation of greenhouse gas emissions indirectly (Scope 2) is reported from the purchase of electricity, steam x the greenhouse gas emission value based on TGO, producer or seller.</p> <p><b>3. Greenhouse gas emission reporting</b></p> <p>3.1 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> <p>3.2 Used the data of 2020 both Thailand and abroad (Include PT Fajar Surya Wisesa Tbk.) to serve as the base year to set target to reduce greenhouse gas emission 20 percent by 2030 and Net Zero by 2050.</p>
EN1.1	
	<p>1. The performance of greenhouse gas emission in 2017-2020 (Thailand only) was compared with Business as usual (BAU) at the base year 2007 and used the data of 2020 to serve as the base year to set target to reduce greenhouse gas emission both Thailand and abroad and Net zero by 2050.</p>
EN2	<p><b>Energy</b></p>
	<p>Total energy consumption includes all thermal and electricity used in the company/factory areas. For the details on thermal energy, the amount and ration of alternative fuel utilization is also presented, together with the addition of renewable biomass, renewable industrial waste and non-renewable industrial waste.</p> <ul style="list-style-type: none"> <li>• 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)</li> <li>• 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.</li> <li>• Alternative Fuel = renewable biomass, renewable industrial waste and non-renewable industrial waste that can produce heat and energy.</li> <li>• Renewable biomass = fuel from wood chip, pin chip, bark and bagasse.</li> <li>• Renewable Industrial waste = fuels produced from renewable resources for examples black liquor from pulp process, biogas and sludge from wastewater treatment plant.</li> <li>• Non-renewable Industrial waste = waste material rejects including residue leftover from production processes such as waste rejects and used oil.</li> <li>• 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.</li> </ul>



<b>EN3</b>	<b>Water</b>
	<ul style="list-style-type: none"> <li>• Water management (water withdrawal, water discharge, water treatment and water recycling) is considered in order to assess efficiency of water from various sources</li> <li>• 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 surface water, groundwater, tap water and recycled water- the treated water returned to the process. It is obtaining data from accounting evidences or meter reading.</li> <li>• 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 <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> </li> <li>• Water recycling, the reused water in a factory's activities after treatment processes, excluding water that has not undergone the treatment process.</li> <li>• 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.</li> <li>• 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 <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> </li> </ul>
<b>EN4</b>	<p><b>Industrial Waste</b></p> <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. The quantity of industrial waste 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>Volume Reporting</b></p> <p>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>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>The amount of industrial waste to be disposed of (Waste Manage) refers to the amount of waste, to be managed both inside and outside SCGP compiled from weighting scale only</p> <p>SCGP's internal waste management (Onsite) means waste management operated by companies within the scope of SCGP's management. SCGP's external waste management (Offsite) means waste management operated by companies outside the scope of SCGP's management.</p>
<b>EN5</b>	<p><b>Air Emission</b></p> <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>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>• Consumer Industrial Packaging and Performance Polymer Packaging Business carried out the measurement of air pollution emissions from stacks by Spot Check. according to the actual conditions while measuring by a laboratory that is certified and registered with the Department of Industrial Works.</li> <li>• In 2021, Pulp and Paper business began to report the results of air pollution emissions from stack by Continuous Emission Monitoring System, CEMs). And 2020 data is used for both Thailand and abroad (Include PT Fajar Surya Wisesa Tbk.) with CEMs as the base year to determine air emission reduction targets. <ol style="list-style-type: none"> <li>a. Oxides of Nitrogen 0.797 Thousand Tons</li> <li>b. Oxides of Sulfur 1.61 Thousand Tons</li> <li>c. Particulate Matter 0.35 Thousand Tons</li> </ol> </li> </ul> <p>Note : Performance of abroad air emission in 2020 by Continuous Emission Monitoring System : CEMs</p>

## Social Performance

### Health and Safety

Performance	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Lost Time Injury Frequency Rate : LTIFR (Cases per 1,000,000 hours worked) <sup>S1</sup>						
• Employee	1.726		40.5		3.7.3	
• Contractor	1.018		46.1		3.7.4	
Injury Severity Rate : ISR (Cases per 1,000,000 hours worked) <sup>S1</sup>						
• Employee	15.533					
• Contractor	12.657					
Total Number of Work-Related Fatalities (Cases) <sup>S1</sup>						
• Employee (male : female)	0 : 0		33.3 40.6	601 610		
• Contractor (male : female) (Workplace and Direct Transportation)	1 : 0		33.3 46.2	601 610		
Total Number of Fatalities from Work-Related in Workplace (Cases) <sup>S1</sup>						
• Employee (male : female)	0 : 0		33.3 40.6	601 610		
• Contractor (male : female)	1 : 0		33.3 46.2	601 610		
Total Number of Fatalities from Work-Related in Transportation (Cases) <sup>S1,*</sup>						
• Employee (male : female)	0 : 0	GRI 403-9	33.3 40.6	601 610		
• Direct Transportation Contractor (male : female)	0 : 0	GRI 403-9	33.3 46.2	601 610		
• Other Transportation Contractor (male : female)	0 : 0	GRI 403-9	33.3 46.2	601 610	3.7.2	
Number of Fatalities as a result of Work-Related Injury (Cases) <sup>S1,*</sup>						
• Employee	0	GRI 403-9	33.3 40.6	601 610		
Fatalities as a result of Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup>						
• Employee	0.000	GRI 403-9	33.3 40.6	601 610		
Number of Fatalities as a result of Work-Related Injury (Cases) <sup>S1,*</sup>						
• Contractor	1	GRI 403-9	33.3 46.2	601 610		
Fatalities as a result of Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup>						
• Contractor	0.145	GRI 403-9	33.3 46.2	601 610		
Number of High Consequence Work-Related Injury (Cases) <sup>S1,*</sup>						
• Employee	2	GRI 403-9	33.3	601 610		
High Consequence Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup>						
• Employee	0.144	GRI 403-9	33.3	601 610		
Number of High Consequence Work-Related Injury (Cases) <sup>S1,*</sup>						
• Contractor	0	GRI 403-9	33.3	601 610		
High Consequence Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup>						
• Contractor	0.000	GRI 403-9	33.3	601 610		
Number of Recordable Work-Related Injury (Cases) <sup>S1,*</sup>						
• Employee	41	GRI 403-9	33.3	601 610		
Recordable Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup>						
• Employee	2.948	GRI 403-9	33.3	601 610		
Number of Recordable Work-Related Injury (Cases) <sup>S1,*</sup>						
• Contractor	17	GRI 403-9	33.3	601 610		
Recordable Work-Related Injury Rate (Cases per 1,000,000 hours worked) <sup>S1,*</sup>						
• Contractor	2.473	GRI 403-9	33.3	601 610		
Hours worked (Hrs.) <sup>S1,*</sup>						
• Employee	13,905,474.47	GRI 403-9	33.3	601 610		
• Contractor	6,873,556.99	GRI 403-9	33.3	601 610		

### Employees and Social Development

Performance	2021	GRI Standard	THSI	Ecovadis	CSA 2021	Circulytics
Number of employees (Persons)	14,496	GRI 102-8 GRI 102-7	33.3	601 610	0.1	
Employees represented by an independent trade union or covered by collective bargaining agreements (%) <sup>S2</sup>	100		33.3	601 610 561	3.2.6	
Number of new employees hire (Persons)	343	GRI 401-1	33.3	601 610	3.5.1	
Ratio of new employees hire (%)	6.0					
Voluntary employee turnover (Persons)	401	GRI 401-1	33.3 39.5	601 610	3.5.6	
Voluntary employee turnover rate (%)	7.0		39.5			
Total employee turnover (Persons)	401	GRI 401-1	33.3 39.5	601 610	3.5.6	
Total employee turnover rate (%)	7.0		39.5			
Employee engagement level (%) <sup>S3</sup>	79		39.2		3.5.7	
Average training and development of employee (Hour/Person)	2	GRI 404-1	33.3 37.4	601 610	3.4.1	
Average cost of hiring a new employee (Baht/Person)	608		37.4	601 610	3.4.1	

<b>S1</b>	<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 worked 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>
<b>S2</b>	<b>Employees joining trade unions or working with the company covered by the Welfare Committee.</b>
<b>S3</b>	<b>Employee engagement level is conducted 2 years at a time.</b>

\* Within Deloitte's limited assurance scope (page 106-107)



# Subsidiaries Included in Sustainability Report 2021

## Performance data of Environmental Management, Health and Safety Management, and Sustainability Management System

Business / Company	Country	Principal Business / Products	Total Direct / Indirect Holding (Percent)	Environment											Society		Management System for Sustainability					
				Production	Energy		Air			Water				Waste	Safety	Occupational Illness	ISO 9001	ISO 14001	ISO 45001, TIS/OHSAS 18001	FSC		
					Thermal	Electricity	Dust	SO <sub>x</sub>	NO <sub>x</sub>	GHG	Water Withdrawal	Recycled Water	BOD								COD	TSS
42 MATA Plastic Company Limited	Vietnam	Rigid Packaging	70																			
43 International Healthcare Packaging Co., Ltd	Thailand	Holding Company	100																			
44 Deltalab Global, S.L.U.	Spain	Holding Company	85																			
45 Deltalab, S.L.	Spain	Medical Supplies and labware	85																			
46 Keylab, S.L.	Spain	Medical Supplies and labware	85																			
47 Nirco, S.L.	Spain	Medical Supplies and labware	85																			
48 Envasas Farmaceuticos, S.A.	Spain	Medical Supplies and labware	85																			
49 Equilabo Scientific, S.L.	Spain	Medical Supplies and labware	85																			
50 Sanilabo, S.L.	Spain	Medical Supplies and labware	85																			
51 Phoenix Pulp & Paper Puclic Company Limited	Thailand	Food Service Product / Pulp and paper products	70	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Thai Paper Co., Ltd (Paper Production)	Thailand	Food Service Product / Pulp and paper products		✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	✓	✓	✓	✓	✓	✓	
Thai Paper Co., Ltd (Fest Hub)	Thailand	Food Service Product / Pulp and paper products		✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	✓	✓	✓	X	X	X	X
52 Thai Paper Co., Ltd (Pulp Production-Banpong)	Thailand	Food Service Product / Pulp and paper products	70	✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	✓	✓	✓	✓	✓	
Thai Paper Co., Ltd (Pulp Production-Wangsala)	Thailand	Food Service Product / Pulp and paper products		✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	NR	✓	✓	✓	✓	✓	✓	
Thai Paper Co., Ltd (Bangsue)	Thailand	Office														✓	✓					
53 Go-Pak UK Limited	United Kingdom	Food Service Product	100																			
54 Go-Pak Vietnam Limited	Vietnam	Food Service Product	100																			
55 Go-Pak Paper Products Vietnam Company Limited	Vietnam	Food Service Product	100																			
56 Pheonix Utilities Co., Ltd.	Thailand	Utilities	70	✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	NR	✓	✓	✓	✓	NR	
57 Interpress Printers Sendirian Berhad*	Malaysia	Food Service Product	68	✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	NR	✓	ND	X	X	X	✓
58 The Siam Forestry Co., Ltd	Thailand	Forestry	70	✓	✓	✓	NR	NR	NR	✓	NR	NR	NR	NR	NR	NR	✓	✓	✓	X	✓	✓
59 Siam Panawes Co., Ltd.	Thailand	Forestry	70	✓	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
60 Suanpa Rungsaris Co., Ltd	Thailand	Forestry	70	✓	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
61 Panas Nimit Co., Ltd	Thailand	Forestry	70	✓	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
62 Thai Panaboon Co., Ltd	Thailand	Forestry	70	✓	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
63 Thai Panaram Co., Ltd	Thailand	Forestry	70	✓	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
64 Thai Panadorn Co., Ltd	Thailand	Forestry	70	✓	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
65 Thai Panason Co., Ltd	Thailand	Forestry	70	✓	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
66 Thai Wanabhum Co., Ltd	Thailand	Forestry	70	✓	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
67 SCGP Excellence Training Co., Ltd.	Thailand	Training	100														✓	✓				
68 Invenique Co., Ltd	Thailand	Asset and Intellectual Property Management	100																			
69 United Industrial Energy Corporation	Philippines	Holding Company	100																			
Associates and Other subsidiaries																						
1 Siam Toppan Packaging Co., Ltd	Thailand	Fiber-Based Packaging	49																			
2 P&S Holdings Corporation	Philippines	Holding Company	40																			
3 Siam Nippon Industrial Paper Co., Ltd	Thailand	Specialty Paper	31	✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	✓	✓	✓	✓	X	X	✓
4 Sahagreen Forest Co., Ltd.	Thailand	Energy and utilities	17																			

NR = Non Relevance Information (businesses are on 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 3 years) or newly acquired companies (less than 4 years) is not required to incorporate environmental, safety and occupational illness data into SCGP

The Sustainability Management system excludes joint-venture, associates and other companies with non relevant (NR) and or insignificant data to be disclosed

The Percentage of SCGP companies achieving International Standard Certification; ISO 9001 93%, ISO14001 82%, ISO 45001 and TIS/OHSAS 18001 73% and FSC™ 97% (Considering by e company)

The Data reporting of SCG Packaging Public Company Limited includes Headquarters office, organizations under SCGP.

PT Fajar Surya Wisesa Tbk. Subsidiary disclosed Environment, health, and safety data before the criteria set by SCGP, because there were PT Fajar Surya Wisesa Tbk's data of setting targets to reduce greenhouse gas and air pollution emissions.



บริษัท ดีลอยท์ ทูเช่ โทหมัตสึ ไชยยศ  
สอบบัญชี จำกัด  
อาคาร เอไอเอ สาทร์ ทาวเวอร์ ชั้น 23-27  
11/1 ถนนสาทรใต้  
แขวงยานนาวา เขตสาทร  
กรุงเทพฯ 10120

โทร +66 (0) 2034 0000  
แฟกซ์ +66 (0) 2034 0100

Deloitte Touche Tohmatsu Jaiyos  
Audit Co., Ltd.  
AIA Sathorn Tower, 23rd - 27th Floor  
11/1 South Sathorn Road  
Yannawa, Sathorn  
Bangkok 10120, Thailand

Tel: +66 (0) 2034 0000  
Fax: +66 (0) 2034 0100  
www.deloitte.com

## INDEPENDENT LIMITED ASSURANCE REPORT ON SCGP SUSTAINABILITY REPORT 2021

To Sustainable Development Committee of SCG Packaging Public Company Limited

### Scope of our work

SCG Packaging Public Company Limited (“SCGP”) has engaged Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (“we” or “us”) to perform limited assurance procedures on selected subject matters (“the Subject Matter”) for the year ended December 31, 2021 presented in the SCGP Sustainability Report 2021 (“the Sustainability Report”) in accordance with the reporting criteria (“the Criteria”).

### Subject Matter

The selected Subject Matter chosen by SCGP comprises:

- a) Environmental dimension performance indicators expressed numerically
  - 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 Total weight of waste by type and disposal method (tons)
  - o Oxides of Nitrogen (NO<sub>x</sub>), Oxides of Sulfur (SO<sub>x</sub>), and dust emissions data (thousand tons)
- b) Social dimension performance indicators
  - o Number and rate of fatalities, high-consequence work-related injuries, recordable work-related injuries and number of hours worked
  - o Number of fatalities as a result of work-related ill health, number of cases of recordable work-related ill health
  - o Ratio of the basic salary and remuneration of women to men

### Criteria

The Subject Matter above included in the Sustainability Report has been assessed according to the reporting principle prepared by SCGP in “About this report” which is in accordance with the Sustainability Reporting Standards - Core issued by the Global Reporting Initiative (GRI Standards), and the WBCSD/WRI Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, where relevant, and influenced by Sustainability Accounting Standards issued by Sustainability Accounting Standards Board (SASB), where relevant.

### Basis of our work and level of assurance

We carried out limited assurance in accordance with International Standard on Assurance Engagements 3000 (“ISAE 3000”) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and International Standard on Assurance Engagements 3410 (“ISAE 3410”) “Assurance Engagements on Greenhouse Gas Statements”.

To achieve limited assurance ISAE 3000 and ISAE 3410 require that we review the process and systems used to compile the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls. This provides less assurance and it substantially less in scope than a reasonable assurance engagement.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We have applied International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedure regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

**Deloitte Touche Tohmatsu Jaiyos Audit**

ดีลอยท์ ทูเช่ โทมัทสึ ไชยยศ สอบบัญชี

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**Inherent limitation**

Inherent limitation exists in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, errors or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. Greenhouse gases quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

**Key assurance procedures**

Considering the risk of material error, we planned and performed the work to obtain all the information and explanations considered necessary to provide sufficient evidence to support our assurance conclusion.

The assurance procedures included the following work:

- interviewing SCGP's management, included the Sustainable Development team and those with operational responsibility for performance in the areas we are report on
- visiting selected two sites:
  - Siam Kraft Industry Co., Ltd. (Kanchanaburi plant), and
  - Vina Kraft Paper Co., Ltd.
- completing analytical procedures
- reviewing the appropriateness of management review and reporting processes
- reviewing the process which the management used in materiality assessment
- performing testing of selected data on sampling basis, and
- reviewing the process for consolidating data at a business level and corporate level.

As a limited assurance engagement generally comprises of making enquiries, primarily of management, and applying analytical procedures and the work is substantially less detailed than that undertaken for a reasonable assurance engagement the level of assurance is lower than would be obtained in a reasonable assurance engagement.

**Respective responsibilities of the Management and Independent assurance provider**

The management of SCGP is responsible for the preparation of the Sustainability Report which is accordance with the Sustainability Reporting Standards - Core issued by the Global Reporting Initiative (GRI Standards), Sustainability Accounting Standards issued by Sustainability Accounting Standards Board (SASB), the WBCSD/WRI Greenhouse Gas Protocol: A Corporate Accounting, where relevant, and determining the adequacy of the Criteria to meet the reporting needs of SCGP. Management's responsibility also includes designing, implementing and maintaining of internal control system relevant to the preparation and fair presentation of the selected Subject Matter that is free from material misstatement, whether due to fraud or error.

Our responsibility is to independently express limited assurance opinion in accordance with ISAE 3000 and ISAE 3410 on the selected Subject Matter.

**Limitation of Use**

This report has been prepared in accordance with our engagement terms, solely for the SCGP Sustainable Development Committee as a body, for the purpose of reporting on the selected Subject Matter within the Sustainability Report. To the fullest extent permitted by the law, we do not accept or assume responsibility to anyone other than the SCGP Sustainable Development Committee for our work or for this report, or for any other purpose other than that for which this report was prepared.

**Our assurance opinion**

Based on the work described above, nothing has come to our attention that causes us to believe that the selected Subject Matter for the year ended December 31, 2021 included in the SCGP Sustainability Report 2021 has not been prepared, in all material respects, in accordance with the Criteria.



Kasiti Ketsuriyong  
Partner  
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

Bangkok, Thailand  
February 14, 2022

# International Standard Indices





## GRI Content Index

SCGP follows the Global Reporting Initiative's (GRI) Sustainability Reporting Standards in our Sustainability Report.

This report has been prepared in accordance with the GRI Standards: Core option. Topic-specific disclosures with a reference to external assurance in the GRI content index have been externally assured by an independent third party Deloitte Touche Tohmatsu Jaiyos Co., Ltd. The independent Assurance Report is available in SCGP's sustainability Report on page 100-107. The index below shows where the GRI disclosures are addressed in the One report (OR) or the Sustainability Report (SR).

GRI Standards Disclosure		Location (OR/ SR)		External Assurance	
				Thailand	Asean ex - Thailand
<b>GRI 102: General Disclosure</b>					
<b>1. Organizational Profile</b>					
102-1	Name of the organization		SR COVER		
102-2	Activities, brands, products, and services		OR inside front cover, SR6, 10		
102-3	Location of headquarters		OR inside front cover		
102-4	Location of operations		SR7		
102-5	Ownership and legal form		OR inside front cover, OR53		
102-6	Markets served		OR43		
102-7	Scale of the organization		SR12, 91		
102-8	Information on employees and other workers		SR89, 91, 102		
102-9	Supply chain		SR61-62		
102-10	Significant changes to the organization and its supply chain		SR78-79		
102-11	Precautionary Principle or approach		OR62-75		
102-12	External initiatives		SR35		
102-13	Membership of associations		SR68		
<b>2. Strategy</b>					
102-14	Statement from senior decision-maker		SR3		
102-15	Key impacts, risks, and opportunities		SR27-29, 32-33, 36-37		
<b>3. Ethics and Integrity</b>					
102-16	Values, principles, standards, and norms of behavior		SR4-5, SR39-42		
102-17	Mechanisms for advice and concerns about ethics		SR41-42		
<b>4. Governance</b>					
102-18	Governance structure		SR26, OR127		
102-20	Executive-level responsibility for economic, environmental, and social topics		SR26		
<b>5. Stakeholder Engagement</b>					
102-40	List of stakeholder groups		SR32, OR82-84		
102-41	Collective bargaining agreements		SR91, 102		
102-42	Identifying and selecting stakeholders		SR30-31, 32-33, 36-37, OR82-84		
102-43	Approach to stakeholder engagement		SR32-33, OR82-84		
102-44	Key topics and concerns raised		SR32-33, OR82-84		
<b>6. Reporting Practice</b>					
102-45	Entities included in the consolidated financial statements		OR56-60		
102-46	Defining report content and topic Boundaries		SR36-37		
102-47	List of material topics		SR34		
102-48	Restatements of information		SR78		
102-49	Changes in reporting		SR79		
102-50	Reporting period		SR78		
102-51	Date of most recent report		SR78		
102-52	Reporting cycle		SR78		
102-53	Contact point for questions regarding the report		SR79		
102-54	Claims of reporting in accordance with the GRI Standards		SR79		
102-55	GRI content index		SR109-110		
102-56	External assurance		SR106-107		
<b>GRI 103: Management Approach</b>					
103-1	Explanation of the material topic and its Boundary		SR36-37		
103-2	The management approach and its components		SR39-76		
103-3	Evaluation of the management approach		SR39-76		

GRI Standards Disclosure		Location (OR/ SR)	External Assurance	
			Thailand	Asean ex - Thailand
<b>Economics</b>				
<b>Economic Performance</b>				
201-1	Direct economic value generated and distributed	SR93, OR2		
202-2	Proportion of senior management hired from the local community	SR89		
205-2	Communication and training about anti-corruption policies and procedures	SR39-42		
<b>Environment</b>				
301-1	Materials used by weight or volume	SR80		
301-2	Recycled input materials used	SR80		
<b>Energy</b>				
302-1	Energy consumption within the organization	SR52-55, 81-82, 95-96	✓	✓
302-4	Reduction of energy consumption	SR52-55, 81-82, 95-96		
<b>Water and Effluents (2018)</b>				
303-1	Interactions with water as a shared resource	SR56-58, 82-84, 96-97		
303-2	Management of water discharge-related impacts	SR76		
303-3	Water withdrawal	SR82-84, 87, 96-97, 101	✓	✓
303-4	Water discharge	SR83, 97	✓	
<b>Biodiversity</b>				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR59-60		
<b>Emissions</b>				
305-1	Direct (Scope 1) GHG emissions	SR52-55, 80-81, 95	✓	✓
305-2	Energy indirect (Scope 2) GHG emissions	SR52-55, 80-81, 95	✓	✓
305-5	Reduction of GHG emissions	SR52-55, 80-81, 95		
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	SR75-76, 84, 98	✓	
<b>Waste (2020)</b>				
306-3	Waste Generated	SR84	✓	
306-4	Waste Diverted from Disposal	SR84-85	✓	
306-5	Waste Directed from Disposal	SR84-85	✓	
307-1	Non-compliance with environmental laws and regulations	SR84		
307-1	Amount of fines/penalties related to the above	SR84		
307-1	Environmental liability accrued at year end	SR84		
<b>Social</b>				
<b>Occupational Health and Safety (2018)</b>				
403-1	Occupational health and safety management system	SR48-51, OR78		
403-2	Hazard identification, risk assessment and incident investigation	SR49-50		
403-3	Occupational health services	SR49		
403-4	Worker participation, consultation, and communication on occupational health and safety	SR48-51		
403-5	Worker training on occupational health and safety	SR48-51		
403-6	Promotion of worker health	SR49		
403-7	Prevention of worker health and safety impacts directly linked by business relationships	SR48-51		
403-9	Work-related injuries	SR48, 88-89, 102, OR78, 85-87	✓	✓
403-10	Work-related ill health	SR48, 88-89, 102, OR78, 85-87	✓	
<b>Training and Education</b>				
404-1	Average hours of training per year per employee	SR91, 102		
405-1	Diversity of governance bodies and employees	SR89		
405-2	Ratio of basic salary and remuneration of women to men	SR90	✓	
<b>Human Rights Assessment</b>				
412-2	Employee training on human rights policies or procedures	SR65-68		
<b>Local Communities</b>				
413-1	Operations with local community engagement, impact assessments, and development programs	SR69-72		

# United Nations Global Compact (UNGC) Communication on Progress

Criteria of UNGC Advanced Level		Disclose	
		AR	SR
Implementing the Ten Principles into Strategies & Operations	Criterion 1: The COP describes mainstreaming into corporate functions and business units	8-9	3-4
	Criterion 2: The COP describes value chain implementation	80-84	30-33, 46-47, 61-62
• Robust Human Rights Management Policies & Procedures	Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights	69	28, 65-68
	Criterion 4: The COP describes effective management systems to integrate the human rights principles	111, 118	42, 65-68
	Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration	62-66, 69	65-68
• Robust Labour Management Policies & Procedures	Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour	63-68, 166-167	63-64
	Criterion 7: The COP describes effective management systems to integrate the labour principles		63-64, 89-91, 102
	Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration		13, 63-64, 89-91, 102
• Robust Environmental Management Policies & Procedures	Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship	78 85-87	19-22, 25, 43-45 52-60, 70-76 80-87, 95-101
	Criterion 10: The COP describes effective management systems to integrate the environmental principles		
	Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship		
• Robust Anti-Corruption Management Policies & Procedures	Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption	116, 195	39-41
	Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle	195	41-42
	Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption		
Taking Action in Support of Broader UN Goals and Issues	Criterion 15: The COP describes core business contributions to UN goals and issues	76-79	35
	Criterion 16: The COP describes strategic social investments and philanthropy	6	91
	Criterion 17: The COP describes advocacy and public policy engagement	30	3-4
	Criterion 18: The COP describes partnerships and collective action	25-27	17-22, 55
Corporate Sustainability Governance and Leadership	Criterion 19: The COP describes CEO commitment and leadership	8-9	3
	Criterion 20: The COP describes Board adoption and oversight	10-15	26
	Criterion 21: The COP describes stakeholder engagement	82-84	32-33

## Task Force on Climate-related Financial Disclosures (TCFD)

Recommendations		Disclose	
		AR	SR
GOVERNANCE	Disclose the organization's governance around climate-related risks and opportunities.		
	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities	62-66	26
STRATEGY	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.		
	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	73	27-29
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.		52-55
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	56-58		
RISK MANAGEMENT	Disclose how the organization identifies, assesses, and manages climate-related risks.		
	a) Describe the organization's processes for identifying and assessing climate-related risks.	62-75	26-29
	b) Describe the organization's processes for managing climate related risks.		52-55
c) Describe how processes for identifying assessing, and managing climate-related risks are integrated into the organization's overall risk management.	56-58		
METRICS and TARGETS	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	78-79	13, 19, 46, 52, 56
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	85-87	52, 80-82, 95-96
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	73, 78-79, 85-87	13, 19, 43, 52, 56, 80-82, 95-96

AR = Annual Report 2021

SR = Sustainability Report 2021

## 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	52, 80, 95		Metric tons (t CO <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	52-55		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)	84, 98		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	81-82 95-96		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	83 96-97		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	56-58		Number
	RT-CP-140a.3	Number of incidents of non-compliance associated with water quality permits, standards, and regulations		0 Case	Number
Waste Management	RT-CP-150a.1	Amount of hazardous waste generated, percentage recycled	84 98	2,980 (Thailand) 60,973 (ASEAN ex-Thailand)	Metric tons (t)
Product Safety	RT-CP-250a.1	Number of recalls issued, total units recalled			Number
	RT-CP-250a.2	Discussion of process to identify and manage emerging materials and chemicals of concern	43-44	0 Case	N/A
Product Lifecycle Management	RT-CP-410a.1	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content	80, 95		Percentage (%) by weight
	RT-CP-410a.2	Revenue from products that are reusable, recyclable, and/or compostable		2,102 MB (Recyclable Polymer Container)	Reporting Currency
	RT-CP-410a.3	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	19		N/A
Supply Chain Management	RT-CP-430a.1	Total wood fiber procured, percentage from certified sources	60	2,564,620 ton 100% of FSC-COC	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	80, 95		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.34 (1) 92% (2) 8%	Percentage (%) by revenue
	RT-CP-000.C	Number of employees	80, 102		Number



**CENTRALPATTANA**  
BOXES TO BEDS

เปลี่ยนกล่องกระดาษลูกฟูกเป็นเตียงสนามกระดาษ SCGP

เปลี่ยนกล่องกระดาษลูกฟูกเป็นเตียงสนามกระดาษ SCGP

ส่งเสริมการใช้ของใช้ที่ปลอดภัยและมีความรับผิดชอบต่อสังคม

#มันใจก้าวไปด้วยกัน







# SCGP

**SCG PACKAGING PUBLIC COMPANY LIMITED**

1 SIAM CEMENT RD., BANGSUE, BANGKOK 10800, THAILAND

TEL: +66 2586 3333 FAX: +66 2587 0738

E-mail: [scgpackaging@scg.com](mailto:scgpackaging@scg.com)  
[www.scgpackaging.com](http://www.scgpackaging.com)

