

ANNUAL REPORT 2023

(Form 56-1 One Report)

SCG Packaging Public Company Limited



**SUSTAINABLE SOLUTIONS
FOR A BRIGHTER PLANET**



SCG Packaging Public Company Limited

Company Profile

Registration No.	0107537000921
Head Office Address	1 Siam Cement Road, Bangsue, Bangkok 10800
Business Type	The Company generates revenue from holding shares in other companies (Holding Company), operating core business as an integrated packaging solutions provider (The key subsidiary engaging in the core business is Siam Kraft Industry Co., Ltd.), which is organized into three main businesses: Integrated Packaging Business, Fibrous Business, and Recycling Business.
Present Registered Capital	Registered capital: 4,500,000,000 Baht Paid-up capital: 4,292,920,200 Baht Issued and paid-up ordinary shares: 4,292,920,200 shares Issued and paid-up preference shares: - None - Par value of Baht 1 per share
Website	www.SCGPackaging.com
Contact	Tel: +66 2586 3333 Fax: +66 2586 3007 E-mail: SCGPackaging@scg.com
Share Registrar	Thailand Securities Depository Company Limited 1 st 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



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

(<https://investor.scgpackaging.com/th/downloads/yearly-reports>)

Financial Overview

SCG Packaging Public Company Limited and its Subsidiaries

Unit : Baht million

	2023	2022	2021	2020	2019
Consolidated income statement ¹					
Revenue	130,521	147,532	126,755	93,389	90,034
Costs and expenses	123,978	139,298	115,100	85,148	83,147
EBITDA ²	17,769	19,402	21,150	16,876	15,147
Profit for the year ³	5,248	5,801	8,294	6,457	5,269
Consolidated statement of financial position					
Assets	198,561	197,280	206,824	172,429	139,513
Liabilities	96,112	74,313	84,524	62,588	76,697
Total equity attributable to owners of the Company	77,322	97,201	96,837	88,738	42,952
Total shareholders' equity	102,449	122,967	122,300	109,841	62,816
Share information					
Total number of shares issued ⁴	(Million shares) 4,293	4,293	4,293	4,293	3,126
Book value per share ⁴	(Baht) 18.01	22.64	22.56	20.67	13.74
Earnings per share ⁴	(Baht) 1.22	1.35	1.93	1.95	1.69
Dividends per share ^{4, 5}	(Baht) 0.55	0.60	0.65	0.45	0.98
Financial ratio					
Dividends payout ratio	(%) 45.0	44.4	33.6	29.9	57.9
Net profit margin ⁶	(%) 4.1	4.0	6.7	7.0	5.9
Return on assets	(%) 2.7	3.3	5.1	4.7	5.1
Return on equity attributable to owners of the Company	(%) 6.0	6.0	8.9	9.8	12.6

Remarks :

¹ The figures for year 2019 are reclassified according to the notification of the Department of Business Development

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

³ Represents profit for the year attributable to owners of the Company

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

⁵ For the year 2019, dividends Baht 0.98 per share is calculated from 1) Interim dividend Baht 1.11111111 per share from ordinary 1,563 in million shares

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

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

Financial Overview

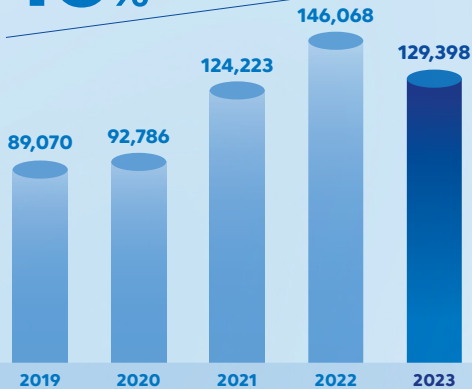
SCG Packaging Public Company Limited and its Subsidiaries

Unit : Baht million

Revenue from Sales

CAGR
2019 - 2023 :

10%



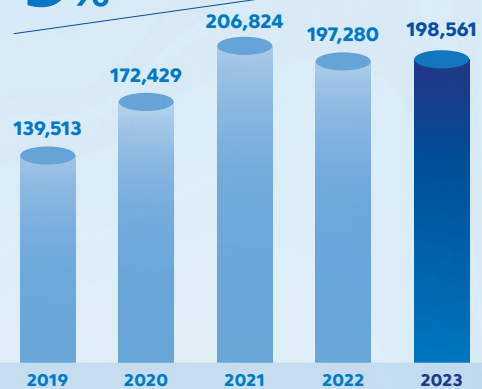
Revenue from sales by end destinations
outside Thailand (%)



Total Assets

CAGR
2019 - 2023 :

9%



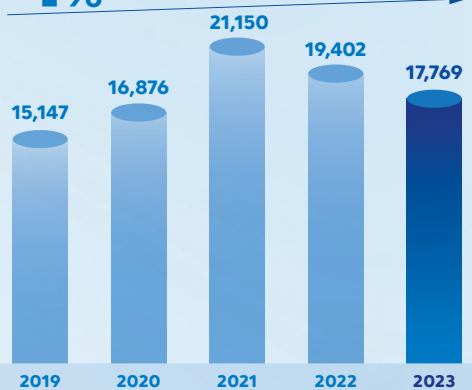
Debt to equity ratio (Times)



EBITDA*

CAGR
2019 - 2023 :

4%



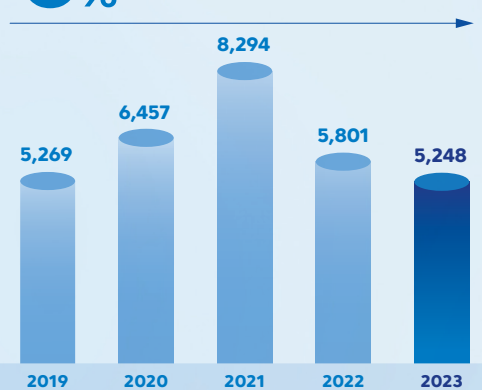
EBITDA margin (%)



Profit for the year**

CAGR
2019 - 2023 :

0%



Net profit margin (%)



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

**Attributable to owners of the Company

Financial Overview 2023

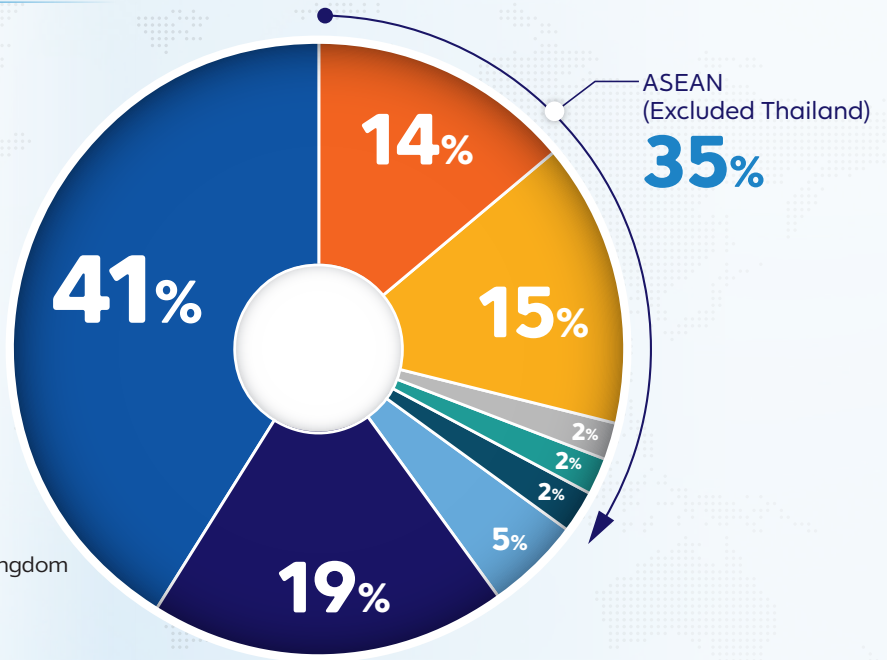
SCG Packaging Public Company Limited and its Subsidiaries

Revenue from sales by end destinations

129,398

Baht million

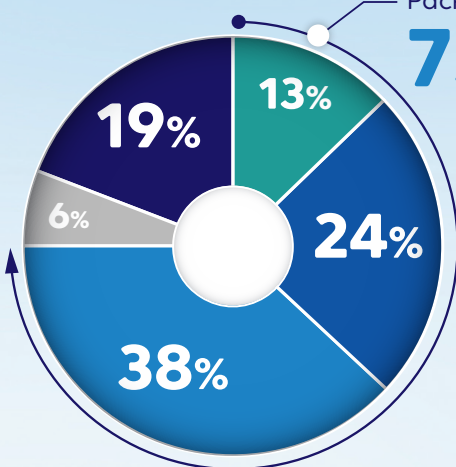
- Thailand
- Indonesia
- Vietnam
- The Philippines
- Malaysia
- Others in ASEAN
- European Union and the United Kingdom
- Rest of the world



Revenue from sales by business units

Integrated Packaging Business

75%

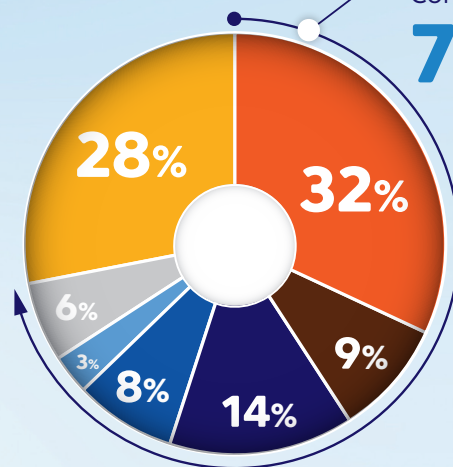


- Consumer and Performance Packaging
- Fiber Packaging
- Packaging Paper
- Recycling Business
- Fibrous Business

Revenue from sales by consumer segments

Consumer Link

72%



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

Revenue from Sales

129,398

Baht million

Total Assets

198,561

Baht million

EBITDA

17,769

Baht million

Profit for the year

Attributable to owners of the Company

5,248

Baht million



**SUSTAINABLE SOLUTIONS
FOR A BRIGHTER PLANET**

Sustainability

Performance Highlight

2023



Ratio of procurement spending in domestic

85%

of procurement spending

Ratio of procurement spending in regional

15%

of procurement spending

Green House Gas emission reduction

0.97

million tons of carbon dioxide equivalent



19.5%

compared with the base year of 2020

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

100%

of suppliers with procurement spending over Baht 1 million



“SCG Green Choice” products, services and solutions

80 products



Proportion of recycled water

28.6%



Environment-related investment and expenses (Thailand)

1,216

Baht million

Reduction of waste disposal by incineration without energy recovery in Thailand

100%

compared with the base year of 2014



Energy saved

4.99 petajoules

7.78%

compared with BAU at the base year of 2007



Research & Development and innovation investment and expenses



998

Baht million

Waste from production process in Thailand to landfill

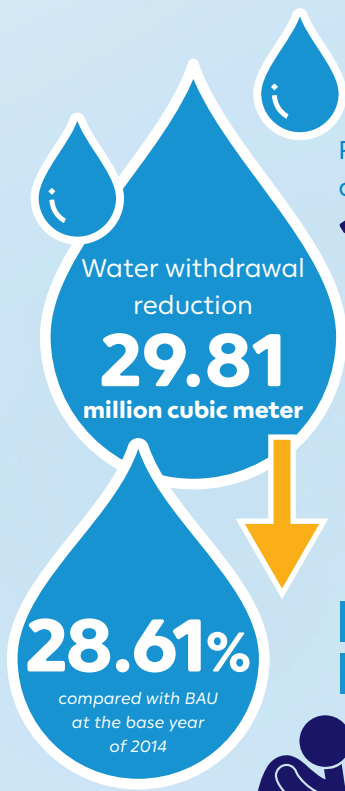
0 ton

Work-related fatalities rate of employees and contractors in Thailand



0.419

cases per 1,000,000 hours-worked



Proportion
of recycled water

16.97%



Employees passed Ethics & Human Rights
Learning and Testing and Ethics e-Testing



100%

Total number of Work-related
fatalities of employees and
contractors



3 cases

Human rights
violations

1 case



Occupational illness and disease
frequency rate of employees



0 case per 1,000,000
hours-worked

NCS Plantation
and CSR



1,154,609
trees



Social enterprise development
for communities' income

22,787,901
Baht

Career development center
in communities



111 centers



Check dams

627
projects



Scholarship program

1,099
scholarships in 116 schools

SCGP Zero Waste
Community Expansion

143
communities



Corporate
volunteers

336
employees



Message from the Board of Directors

SCG Packaging Public Company Limited and its Subsidiaries

Throughout 2023, overall packaging demand in ASEAN, particularly in consumer-linked and daily consumption segments, sequentially recovered with support from the growing services and tourism sectors. Nonetheless, selling prices of packaging paper in ASEAN was under pressure, influenced by slow recovery of packaging paper demand in China in line with the country's economy.

Meanwhile, global economy was facing with challenges from the contraction in purchasing power caused by heightened inflation and interest rates. Such circumstances also adversely effected ASEAN's export sector, especially for export to Europe and the US which are major markets for electronics, textile, and footwear. Nevertheless, SCGP proactively responded to these macro challenges and continued to capture opportunity with prudent execution of strategies to pursue growth with quality while strengthen overall operations. The Company continually expanded into high growth potential businesses and markets with programmatic Merger & Partnership (M&P) and Organic Expansions, including in polymer packaging and corrugated containers, while also reinforced the Company's supply chain.

M&P remained one of the essential approaches to strengthen SCGP's position as the integrated packaging solutions provider. This could be observed through the transaction in Law Print & Packaging Management Limited, a prominent packaging solution provider in the United Kingdom, with aims to support rapid demand growth in pet food packaging. SCGP also invested in Bicappa Lab S.r.L, a medical supplies and labware manufacture in Italy, specializing in producing pipette tips, and M&P in Starprint Vietnam Joint Stock Company, a leading offset folding carton manufacturer in Vietnam that would enhance SCGP's capability to meet the growing demand of both Vietnam and ASEAN consumer goods.

On Organic Expansions in 2023, SCGP's projects in Thailand included the expansion of flexible packaging capacity to support an enlarging demand in pet food and health supplement markets and the expansion of corrugated containers capacity, which contains the state-of-art manufacturing and printing technologies to cater to the evolving demand and lifestyle of clients and consumers. For overseas Organic Expansion, Peute Recycling B.V. (Peute) in

the Netherlands has completed and commissioned its new facility which was relocated near to Rotterdam Port, resulting in a doubling of sourcing capacity of recovered paper and plastic while also improved transportation efficiency.

With the emphasis on continuous improvement from supply chain integration and operational excellence, SCGP makes use of the automation system to enhance production analysis, forecast and productivity. Data Analytics were adopted to strengthen end-to-end data visibility throughout the supply chain. This allows the customer to conveniently contact, order, track deliveries, and obtain rapid responses to enquiry while also enables SCGP to improve the efficiency of materials, inventory, and cost managements. Moreover, the Company has been utilizing Artificial Intelligence (AI) and Machine Learning for data processing functions; for example, generative AI that was used for AI Printing Inspection System to assure printing quality, minimize production wastes and reduce time spent on manual visual inspection. SCGP also continuously pursues improvement in energy consumption and technology. One of the key efforts is via the incremental usage of biomass, which promotes conversion of waste into renewable energy while enables efficient utilization of national resources. All abovementioned operational achievements were made possible by the commitments from all SCGP's employees in delivering values to customers and consumers.

Moreover, SCGP continually strives to develop packaging innovations and solutions in order to fulfill customers' and consumers' requirements. One of the examples is the collaboration with Origin Materials, the US, to develop "Bio-based Plastic from Eucalyptus Woodchips" to capture emerging growth in renewable materials. The development of cutleries and food trays made from eucalyptus wood in respond to the surging demand of sustainable food packaging which can be recyclable and compostable.

SCGP is committed to operating its businesses in line with a distinguished ESG framework to achieve sustainable growth. In 2023, SCGP effectively reduced its greenhouse gas emissions, surpassing the annual target set for Science-Based Target initiative (SBTi), under the strategic direction toward low-carbon society and Net Zero by 2050. Concurrently, active engagement with all stakeholders are core to SCGP's operation. On December 8, 2023, SCGP obtained



a total score of 85, calculated as Top 1% in Dow Jones Sustainability Index (DJSI) for the Containers & Packaging Industry by S&P Global. In addition, the Company achieved AAA sustainable stock rating from the SET ESG Rating and received 2 SET Awards from the Stock Exchange of Thailand, including the Best Innovative Company Awards and the Best Sustainability Awards, for the second consecutive year. SCGP's excellence was also recognized with three quality awards from IAA Awards for Listed Companies 2022 arranged by the Investment Analysts Association (IAA), comprising of Outstanding CEO, Outstanding CFO, and Outstanding Investor Relations under category of industrial products, with the votes from analysts in SET and IAA members.

With commitment in sustainable and quality growth, SCGP recorded total revenue from sales of Baht 129,398 million in 2023, marking a decrease of 11% year-on-year. Profit for the year was Baht 5,248 million, a decrease of 10% compared to the previous year. The Board of Directors resolved to propose that the 2024 Annual General Meeting of Shareholders approve the 2023 dividend of Baht 0.55 per share, totaling Baht 2,361 million, representing 45% of profit for the year of the consolidated financial statements in accordance with the dividend policy. In this, there was an interim dividend of Baht 0.25 per share with a final dividend of Baht 0.30 per share.

Heading toward 2024, SCGP aims to continue the execution of value accretive Merger & Partnership and Organic Expansions to meet customers' and consumers' needs in high potential markets in ASEAN and beyond with target segments that include lifestyle consumer goods, food & beverages, healthcare and medical products. Meanwhile, strategies to improve SCGP's competitiveness include continuous development of new packaging innovations through Research & Development, the strengthen of long-term raw material security, relentless efforts to pursue operational excellence, systematic employee's development plan with focuses on knowledge, capabilities, and skills required for ESG focused business growth.

On this occasion, the Board of Directors would like to express our gratitude to shareholders, debenture holders, business partners, suppliers, customers, employees, domestic and international financial institutes, and other relevant parties for your trust and support. Furthermore, SCGP would like to assure that the Company will effectively and efficiently conduct our businesses under the distinguished Corporate Governance. Adhering to the principles of ESG, the Company will strive to become the leading international organization dedicated to driving its own businesses, and to offering value to society and contributing to a better and sustainable world.

Bangkok, January 23, 2024

(Mr. Prasarn Trairatvorakul)

Chairman of the Board of Directors

(Mr. Wichan Jitpukdee)

Chief Executive Officer

Audit Committee's Report

SCG Packaging Public Company Limited and its Subsidiaries

The Board of Directors has appointed the Audit Committee on June 21, 2019 to independently perform its duties in accordance with the scope of duties as prescribed in the Charter of the Audit Committee, which is annually reviewed in accordance with the current situation and approved by the Board of Directors. In 2023, the Audit Committee oversaw and inspected operations in all dimensions as per the scope of duties as prescribed in the Charter of the Audit Committee. To conclude, the operation achieved an adequate level of efficiency and effectiveness. Moreover, the Audit Committee emphasized the application of digital technology in the auditing, supervision, strategy formulation, performance and monitoring of results.

In 2023, the Audit Committee convened a total of 6 meetings and the attendance rate for all members was 100%. In order to comply with the principles of good governance, the annual year-end performance assessment of the Audit Committee as a whole and its self-assessment were completed. The results were satisfactory. Assessment areas included the structure and qualifications of the Committee, its roles and responsibilities, and the performance of duties and meetings. Furthermore, the Audit Committee reviewed and approved the audit plan, budget, and manpower of the Internal Audit Office to ensure appropriateness and adequacy related to the duties and responsibilities of the Internal Audit Office. The Committee's key activities in 2023 can be summarized as follows :

1. Review of Financial Statements :

The Audit Committee reviewed material information in the 2023 quarterly and annual financial statements of SCG Packaging Public Company Limited (or "SCGP"), as well as the consolidated financial statements of SCGP and its subsidiaries, which were prepared in accordance with the Thai Financial Reporting Standards (TFRS) and in conformance to the International Financial Reporting Standards (IFRS). The Committee reviewed material issues and special items. This included asking the Chief Financial Officer and the Accounting Director regarding the use of judgment in preparing the financial statements, and obtaining sufficient clarification from the external auditors, the executives,

and the Internal Audit Director to ensure the financial statements and the disclosure of notes of the financial statements are in compliance with the relevant laws and financial reporting standards. The Audit Committee then endorsed the financial statements, reviewed and audited by external auditors without reservation. In addition, the Committee held a meeting with the external auditors without the management to freely discuss the acquisition and the review of material information involved in the preparation of the financial statements, the disclosure of information in accordance with relevant financial reporting standards for the benefit of the user of the financial statements, key audit matters, and any suspicious information indicating potential fraud according to Section 89/25 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E. 2551. In 2023, 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 these connected transactions and other transactions that could lead to a conflict of interest. The results suggested that SCGP's transactions are in line with the policies of connected transactions and the outlined scope, of which had been timely disclosed to the Stock Exchange of Thailand.

3. Review of Good Corporate Governance :

SCGP aimed to operate its businesses in adherence to Sustainable Development and Good Corporate Governance principles with reference to international standards, including the Organization for Economic Co-operation and Development (OECD), Thailand's Securities and Exchange Commission (SEC), The Stock Exchange of Thailand (SET), and the Thai Institute of Directors Association (IOD). In 2023, the Audit Committee considered policies and practices on corporate governance and the best practices of the Audit Committee in order to prevent and suppress any misconduct of the listed company. Also, the review of efficiency and effectiveness of the good corporate governance found that the Board of Directors, the

executives, and the employees have strictly complied with the policies by having the Board of Directors of the Company and the executives as good role models.

SCGP is continuously committed to complying with the Anti-Corruption Policy. Since its certification as a Certified Company by the Thai Private Sector Collective Action Against Corruption (CAC) on March 31, 2022. SCGP carried out the following activities in 2023 are listed below :

- Reviewed practices in line with SCG Packaging's Code of Conduct, passed on communication materials to staff, translated them into Vietnamese in addition to the Thai, English, and Indonesian versions, and enforced the Code of Conduct implementation in overseas subsidiaries.
- Added the Q&A topics on Human Rights provided by specialists on GRC Helpline.
- Arranged the Ethics e-testing for the 9th consecutive year and added the topic of Environment, Health and Safety in order to comply with the ESG 4 Plus principles. All employees passed the test with a score of 100%.
- Established the ESG Guideline on MD Guidebook to provide guidelines for new executives and to communicate operations as per the ESG principles and the Three Lines Model.
- Introduced the concept to suppliers by adopting SCG Packaging's Supplier Code of Conduct as a business guideline, with the goal of encouraging suppliers to be good citizens in parallel with the integrating of social and environmental commitments into corporate governance beyond legal and regulatory requirements.
- Reviewed the anti-corruption policy to be in line with current operations.
- Established the No Gift Procedure to communicate and raise awareness of relevant matters among employees of all levels.
- Monitored the compliance with SCG Packaging's Code of Conduct and Supplier Code of Conduct through the operations of SCGP and its local and overseas subsidiaries' Internal Audit Office.

4. Review of the Risk Management Assessment System :

The Audit Committee reviewed the efficiency and effectiveness of the risk management process. The SCGP Risk Management Committee is assigned to roll out structures and act as the core working team, consider and approve strategies, risk management frameworks and the risk management process, the risk profile review, and the company-wide risk management follow-up. The Planning and Risk Management Office is responsible for reporting risks and risk management to the Audit Committee in the form of the Risk Dashboard. The Risk Management Committee has formulated risk management measures to be included in medium-term plans, annual plans, and investment projects; aiming to enable 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 the risks of continuous deceleration in global economic growth, the risks posed by a long-term high interest rate environment, the risks posed by tax policies and the import prohibition of certain products and recycling materials for sustainability purposes, the opportunity of increased needs for environmentally friendly products and services, and cybersecurity risks.

5. Compliance Review :

The Audit Committee has continuously reviewed the implementation of the Company's Compliance Policy and Guideline. The Compliance Management System (CMS), which complies with ISO 19600 standards, has been appropriately put in place at business groups, both local and overseas. This system has been integrated with various management systems. The compliance manual was established as guidelines for work. An antitrust self-assessment has been assessed for the Company's business activities. The SCGP e-Compliance Management System was developed to retrieve all relevant laws and licenses, and is equipped with a notification system to notify related personnel to perform as prescribed by law. The performance appraisal was implemented to ensure complying, accurate, and timely performance of duties. Furthermore, the Law Compliance Management implementation has also been expanded to cover the operations overseas.

6. Assessment and Review of the Internal Control System :

The Audit Committee assessed and reviewed the internal control system for both operational and information technology systems reported by the Internal Audit Office, as part of the duties under the Charter of the Internal Audit Office, and performed the internal control adequacy assessment as per guidelines of the Securities and Exchange Commission (SEC). The Committee concluded that SCGP's internal control was sufficient and appropriate for its business operations. This corresponded with the external auditor's opinion that there was no material deficiency that might impact the Company's financial statements. The management's emphasis has been placed on building a good internal control system in each work system and information technology system applied in the Company to support changes and business growth through policies, performance standards, and practices. The management also emphasized raising awareness to continuously promote morality, ethics, code of conduct, and anti-corruption to employees by focusing on the development of a proactive and preventive system, consisting of the review of SCGP's Code of Conduct which was translated into Vietnamese, staff communications, ethics e-Testing and e-Policy e-Testing, communication of the responsibility guideline regarding risk management and good control practices under the Three Lines Model, as well as communicating case studies related to fraud and non-compliance with laws, the Company's regulations, policies, code of conduct, and detected key issues. Workshops were also offered to different business units to raise better understanding of the risks, impacts, and critical internal controls of each operating procedure among the persons in charge at all levels to be appropriately applied to each domestic and overseas business unit and to fit respective laws and regulations. The 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 in 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 the annual review of the Charter of Audit Committee and the Charter of Internal Audit Office. Also, the Audit Committee's duties and responsibilities on Environmental, Social and Corporate Governance (ESG) functions were reviewed, and raised Internal Audit Office's operations to ensure compliance with the international internal audit framework, such as Internal Audit 4.0. In 2023, the Internal Audit Office performed the audit on operational and IT functions for 56 projects in total. The findings concluded that there were no material issue concerns. The Internal Audit Office promoted and supported the utilization of digital tools such as Machine Learning (ML), Robotic Process Automation (RPA), Data Analytics (DA), Data lake, etc., to create a Predictive Models and analyze risks comprehensively and efficiently while reducing the time consumed in fieldwork. Online seminars and workshops were provided for the auditors to enhance their knowledge on Cybersecurity, and Information Safety Management according to the ISO 27001. At the same time, knowledge on data analytics was shared in a Learnathon activity and Hackathon activity for the 5th consecutive year to encourage auditors to apply the knowledge they have acquired and present their own projects on digital technology implementation in data analysis and self-audit. Creating awareness of corporate governance, risk management, compliance, and internal controls regarding cybersecurity and personal data protection through software installation audits automatic, and the utilization of tools for monitoring data collection done by websites. Operational and information technology workshops were arranged to communicate about international standards, risks, internal control, and audit results. Furthermore, the Three Lines Model was studied and continuously promoted across all operational systems, whether the pre-existing, new operational systems, the new businesses, or the Company's new information technology system. The development of auditors' compliance with ESG 4 Plus, SCG Packaging's Corporate Governance Policy, Human Rights guidelines, material labor laws, financial report standards, and International Standards for the Professional Practice of Internal Auditing was achieved, enabling auditors to assess the efficiency and effectiveness of corporate governance, risk management, compliance with laws and regulations, and internal control of local and oversea subsidiaries.

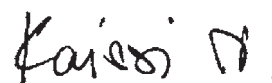
8. Review of Complaints and Whistleblowing Investigations :

SCGP has established a system for filing complaints and whistleblowing for employees and external parties. In addition to the existing channels of phone calls, e-mail and physical letters to the Independent Committee, the Audit Committee, the Internal Audit Office, and the Corporate Secretary Office; www.SCGPackaging.com is additionally provided as a channel for external parties to file Thai, English, Indonesian and Vietnamese complaints around the clock. In 2023, a total of 15 cases involving non-compliance with laws, Company's regulations, Anti-corruption Policy, SCG Packaging's Corporate Governance Policy, SCG Packaging's Four Core Values, SCG Packaging's Code of Conduct or SCG Packaging's Supplier Code of Conduct were filed through the SCGP Whistleblowing System by external parties and employees. Of these, 12 cases were completely investigated (including 2 pending cases from 2022), divided into 5 cases that did not comply with complaints or had unclear evidence, 3 cases that were violations of ethics, and 4 cases that involved inappropriate management. None issues were related to non-compliance with Anti-corruption Policy, Antitrust Policy, SCGP Privacy Policy and Insider Information use. The damages were non-material. Findings from the investigations were taken into consideration for the determination of future procedures and preventive guidelines. Moreover, the Audit Committee has supervised the review of whistleblowing policies, fraud inspections, risk assessments, review conclusions and penalties, and the determination of preventive measures for potential fraud across systems as per appropriateness with the continual business environment.

9. Appointment of the External Auditors and Review of the Audit Fees for 2024 :

KPMG Phoomchai Audit Ltd. is selected as the external auditor office of the Company and its subsidiaries. An external auditor screening is compulsory every 5 years. The screening must be annually reviewed and proposed to the shareholders' meeting to consider independence, potential, performance, service offers, and auditing methods to ensure conformity with the guidelines of key audit partner rotations as stated in the notification of the Securities and Exchange Commission (SEC). Based on the past year's qualifications as independent auditors, professional knowledge and expertise, including experience in auditing and the ability to share knowledge related to SCGP's businesses in addition to auditing, the Audit Committee recommended the Board of Directors to consider and seek approval at the Shareholders' Meeting for the appointment of Ms. Sureerat Thongarunsang, Certified Public Accountant Registration No. 4409; or Ms. Pornthip Rimdusit, Certified Public Accountant Registration No. 5565; or Mr. Songchai Wongpiriyaporn, Certified Public Accountant Registration No. 10996 of KPMG Phoomchai Audit Ltd. as the Company's auditors for the year 2024 including formulated the budget for the 2024 financial statement auditing and the quarterly review of separate and consolidated financial statements worth Baht 2,699,000 and the acknowledgment of our subsidiaries' auditing fees, which is the responsibility of KPMG branches in Thailand and overseas in 2024. Subsidiaries shall be subject to the auditing fees of Baht 38.16 million.

On behalf of the Audit Committee



(Mrs. Kaisri Nuengsigkapien)

Chairman of the Audit Committee

Corporate Governance and Nomination Committee's Report

SCG Packaging Public Company Limited and its Subsidiaries

The Board of Directors appointed and assigned the Corporate Governance and Nomination Committee to assist the Board by carrying out duties of responsibilities as shown in the Charter of the Corporate Governance and Nomination Committee. In 2023, the Corporate Governance and Nomination Committee convened a total of four meetings with an attendance record of 92%. All significant operations in 2023 can be summarized as follows :

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

Reviewed and proposed a revision of SCGP's corporate governance policies and guidelines to ensure that SCGP's good corporate governance practices support the Company's strategies and business growth in the face of challenges involving changes in the economy, international politics and the environment, promote fairness and transparency in business operations and management, generate returns and higher long-term value for shareholders, intensify trust and acceptance across all key stakeholder groups, and support SCGP's competitiveness for sustainable growth. The corporate governance policies and guidelines revised by the Corporate Governance and Nomination Committee and approved by the Board of Directors in 2023 are as follows :

- Charter of the Board of Directors
- Charter of the Corporate Governance and Nomination Committee
- Policy on Qualification and Nomination of Company Directors
- Charter of the Audit Committee
- Charter of the Remuneration Committee
- Insider Information Management and IT Governance Policy

In line with good corporate governance practices of the Securities and Exchange Commission (SEC), the Board of Directors approved the proposal of the Corporate Governance and Nomination Committee, laying out a guideline requiring directors and executives to declare the intention for purchase or sale of securities to the Company Secretary one business day in advance.

Furthermore, as proposed by the Corporate Governance and Nomination Committee, the Board of Directors resolved to review the performance assessments of the Board of Directors, Chairman of the Board, and every sub-committee. Assessment criteria and questions were revised to broaden perspectives and opinions expressed by directors and to implement this data, ensuring the effective performance of the Board of Directors as per generally-accepted corporate governance.

2. Nomination of qualified candidates to replace the directors due for retirement by rotation in 2024

Proposed a list of qualified candidates to replace those who are retiring by rotation in 2024 to the Board of Directors for consideration prior to further proposing them for election in the 2024 Annual General Meeting of Shareholders. The recruitment and nomination were done by considering the Board's structural diversity; namely gender, age, race, nationality, place of origin, cultural background, educational background, positions in other listed companies, Board Skills Matrix, knowledge, expertise, experience and specific capabilities in line with the strategies and sustainable operational guidelines of SCG Packaging while maintaining appropriate ratios of independent directors and female members for the benefit of effective Board of Directors operations.

Moreover, to promote the participation of shareholders in the director nomination process, the Board of Directors, as proposed by the Corporate Governance and Nomination Committee, resolved to grant minority shareholders the right to nominate candidates for the directors ahead of the 2024 Annual General Meeting of Shareholders, during the period of August 1 - November 30, 2023. The criteria, procedures, qualifications and prohibited characteristics of the nominated candidates were disclosed to shareholders via the Stock Exchange of Thailand's SETLink system and the Company's website in order for the Corporate Governance and Nomination Committee to consider for the recruitment and selection of candidates to be proposed to the Board of Directors and shareholders for approval.

3. Consideration for the remuneration of directors and sub-committees

Considered the remuneration, including bonuses, of directors and sub-committees to be proposed to the Board of Directors for the Annual General Meeting of Shareholders. Criteria were based on duties and responsibilities of the individual, Company's performance, and data of leading listed companies and those in the product and service sector. In the 2023 Annual General Meeting of Shareholders, the remuneration for directors and sub-committees for the year 2023 was approved as proposed by the Board of Directors and the Corporate Governance and Nomination Committee.

4. Enhancement of knowledge and abilities of board members for more efficient operations

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

Productive seminars were held to exchange knowledge, perspectives, and experiences between the Board of Directors and external organizations. Participants shared specific knowledge and experiences involving an overview of Generative AI and the application of this technology to organizations. Summaries of SCG Packaging's Code of Conduct were offered to directors and ESG-related risk management to prevent conflicts of interest. This reinforced the directors' knowledge in the areas of business, the business-related environment and good corporate governance.

Furthermore, significant publications of 2023's good corporate governance practices and suggestions for listed companies, distributed by the Securities and Exchange Commission (SEC), the SET and the Thai Institute of Directors Association (IOD), including best practices for the Board of Directors and the Audit Committee in preventing and suppressing unethical behaviors for listed companies, were gathered and summarized for the directors to fully and continually follow up on all changes regarding good corporate governance.

Due to continuous compliance with the SCGP's corporate governance policies and practices, SCGP received a full score of 100 for the 2023 Annual General Meeting of Shareholders Quality Assessment (AGM Checklist) held by Thai Investors Association, and was rated "excellent" by the Corporate Governance Report of Thai Listed Companies 2023 conducted by IOD. In addition, SCGP received the Best Sustainability Awards and the Best Innovative Company Awards and passed the sustainability assessment, or SET ESG Ratings, held by the Stock Exchange of Thailand with the "AAA" grade in 2023.

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



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

Remuneration Committee's Report

SCG Packaging Public Company Limited and its Subsidiaries

The Remuneration Committee performed duties in accordance with the Charter determined by the Board of Directors. In 2023, the Remuneration Committee convened 6 meetings and 1 special meeting, totaling 7 meetings. The attendance rate for committee members was 100%. The minutes of the meetings were reported to the Board of Directors. Below is the summary of the essence of the duties :

1. Consider the compensation of the Chief Executive Officer and the senior executives of SCGP to maintain fairness related to their performance and in line with the overall performance of SCGP. Conduct comparisons with listed companies and leading companies in the same industry, including the maintenance of leading remuneration rates in the industry and the creation of incentives for top executives to continue to perform their duties for the progress of the Company.

2. Consider the succession plan of the executives to continuously plan human resources and manage operations to achieve the goals and missions of the organization for the short and long-term, to maintain, transfer, and extend knowledge to the organization.

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

On behalf of the Remuneration Committee



(Mr. Vanus Taepaisitphongse)

Chairman of the Remuneration Committee

The ESG Committee's Report

SCG Packaging Public Company Limited and its Subsidiaries

The SCGP ESG Committee (The Committee), which consists of the Chief Executive Officer, Chief Operating Officers, directors, managers and relevant committee members, conducted meetings throughout 2023 and considered significant issues related to environmental, social and governance framework, as the following :

Environmental Dimension

The Committee approved the establishment of Environment Dimension committee with the Chief Operating Officer of Packaging Paper Business as its chairman to establish environmental policies and strategies in line with sustainable development. In addition, hazardous waste and non-hazardous waste targets were approved, which took effect for domestic and overseas business. The company supported the Net Zero goal, emphasizing the use of renewable energy, tree planting for carbon sequestration, preparation of report on carbon removal from forestation areas, and verification of greenhouse gas scope 3 emissions by external parties. The Company also calculated the carbon footprint of products (CFP) and published reports in accordance with the Taskforce for Climate-related Financial Disclosure (TCFD) framework.

Social Dimension

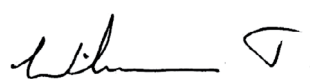
The Committee approved the establishment of Social Dimension committee with the Chief Operating Officer of Fibrous Business as its chairman to establish social policies and strategies for implementation in relevant functions. The Committee has emphasized the importance of promoting awareness of safety among employees. It has undertaken the compilation of accident reports covering contracted workers and assigned responsibilities to relevant staff to track information on risk factors and continuously comply with management measures. Furthermore, the company had prioritized diversity, equity and inclusion society, fostering employee engagement, and supporting LGBTQI+ groups within the organization. These efforts aimed to set goals and promote the inclusion of these employees in the future. The Company has achieved a target of 24% representation of women in managerial positions. In addition, ESG knowledge has publicly shared to students, networks, and stakeholders, with an expectation to raise awareness on sustainable development for the society as a whole.

Governance Dimension

The Committee approved the establishment of Governance Dimension committee with the Chief Financial Officer as its chairman, mainly to establish governance policies and strategies for the organization, and to ensure transparency, fairness, and acceptance among stakeholders and relevant external parties. The Company has actively supported the cultivation of ESG knowledge and the comprehension of those international procurement staff. It has undertaken initiatives to attain certification of Information Security Management Standards (ISO 27001) for Information Technology (IT) division. The Company has also achieved a 100% success rate in Ethics e-Testing for employee ethical conduct. Additionally, efforts have been made to communicate Code of Conduct (CoC) among personnel in abroad while translating the CoC into Vietnamese to support international business expansion. Furthermore, the Company provided guidance on data collection related to greenhouse gas scope 3 emissions from domestic and international business partners. Additionally, the Company received Outstanding in Corporate Governance Award from the Netherlands-Thai Chamber of Commerce in 2023.

For the overall ESG rating assessment, the Committee provided directions for addressing issues identified by the working groups, recommendations for managing work process and personnel, supported responses to ESG ratings, complimented the working groups over the results of ESG rating assessment, and provided beneficial consultation to the working groups. These efforts are ensuring that the ESG assessment reflects the Company's commitment to sustainable business practices, environmental protection, social development, and the promotion of corporate governance in accordance with the ESG 4 Plus framework.

On behalf of the ESG Committee



(Mr. Wichan Jitpukdee)

Chairman of the ESG Committee

The Risk Management Committee's Report

SCG Packaging Public Company Limited and its Subsidiaries

SCGP has established systematic and effective risk management practices in line with international standards and Corporate Governance principles in order to ensure the achievement of business goals and sustainable growth. Our risk management ensures that SCGP is well-equipped to navigate the fluctuations in global economic circumstances and the enforcement of more stringent laws and regulations related to ESG, such as the Carbon Border Adjustment Mechanism (CBAM) and the higher business responsibility on human rights throughout the supply chain. The Board of Directors, therefore, has established the Risk Management Committee, consisting of the Chief Executive Officer as of the Chairman of the Committee, Chief Operating Officers, the Chief Financial Officer, and the Chief Regional Officer. The Committee consists of 13 members and 1 secretary in total. The responsibilities are as follows :

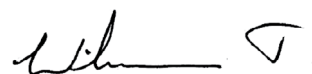
- Establish the risk management structure and identify responsible persons.
- Consider and approve the risk management strategy, risk management framework, and risk management process.
- Review SCGP's risk appetite statement, risk profile and monitor the performance of risk management throughout the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

In 2023, the Risk Management Committee convened for a total of 4 meetings to monitor and provided suggestions on the results of risk assessment, formulated mitigation plans, and reported the progress of risk management efforts. During the session, the Risk Universe (consisting of Environmental & Social risks, Governance & Compliance risks, Reputation & IP risks, Hazard risks, Input risks, Process risks, Financial risks, Business risks) and Emerging risks were reviewed, furthermore, the strategic plans for subsidiaries under risk warning were also prepared. The Committee

also endorsed efforts to promote risk management knowledge by embedding risk management concept in the agenda of company's executive meetings on a regular basis, in order to integrate risk management into business operations effectively, such as monitoring the packaging market situation and strategic country risks, movement of recovered paper cost, increase in policy rate announced by the Central Banks of various countries, war, inflations, trade barriers, technology and information security, operations which may affected human rights, ESG matters, and other leading indicators that may affect business plans and investment projects.

SCGP commits to delivering values to all stakeholders by executing business strategies in line with the goal of sustainable growth and ESG framework, through our position as an integrated packaging solutions provider and our ability to carefully respond and mitigate adverse effects from both internal and external factors. This is to drive the Company and its business toward sustainable growth, while fostering optimal returns for shareholders in line with the Corporate Governance principle. SCGP's Risk Management Policy is published on the official website (www.SCGPackaging.com).

On behalf of the Risk Management Committee



(Mr. Wichan Jitpukdee)

Chairman of the Risk Management Committee



Operating Results in 2023

Operating Results

SCGP is an integrated packaging solutions provider in the region and fosters quality growth. This was achieved through adopting cautious approaches and pursuing expansion strategy of cooperation with business partners in order to increase sales, enlarge the customer base, and branch into new business and markets, supporting a wider range of customers' demands. SCGP also works closely with customers to develop packaging solutions and innovations, which cater to new demands and trends. Furthermore, SCGP has improved production processes to achieve operational excellence through knowledgeable and skilled personnel and an emphasis on Environmental, Social and Governance (ESG) framework, resulting in customer and consumer convenience, healthier lifestyles, better societies, and a sustainable environment.

In 2023, packaging demand for food, beverages, and consumer goods continued to increase due to increased consumption in ASEAN, as well as the recovery of the service and tourism industries. However, the economic

recovery in China was slower than expected, while the inflation rates and interest rates in Europe and the US remained high, resulting in lower ASEAN exports. As SCGP had manufacturing bases across multiple countries and offers a variety of products for many customers' demands through different industries, this allows the Company to diversify risks and mitigate some impact from the volatile external factors. SCGP's total revenue from sales was Baht 129,398 million, a decrease of 11% compared to the previous year. This was due to lower sales volume and lower export prices of packaging paper, which encountered pricing pressures in ASEAN, as well as the impact from the Chinese economic stagnation. EBITDA was Baht 17,769 million, a decrease of 8% compared to the previous year, and the profit for the year was Baht 5,248 million, a decrease of 10% compared to the previous year due to lower sales volume and prices. On the other hand, the profit margin remained consistent with the previous year as a result of SCGP's continuous efforts on cost reduction and commitment towards operational excellence.





Integrated Packaging Business :

Revenue from sales of Integrated Packaging Business in 2023 was Baht 97,363 million, a decrease of 17%, compared to the previous year, mainly due to lower packaging paper prices in the region as a result of economic stagnation in China. Additionally, exports from the ASEAN region have also slowed down. EBITDA was Baht 14,419 million, a decrease of 2% compared to the previous year, which was achieved by the continuous efforts on reducing cost of essential raw materials and energy consumption.

Revenue from Sales

97,363

Baht million

▼ decreasing

17%

from the previous year

EBITDA

14,419

Baht million

▼ decreasing

2%

from the previous year



Fibrous Business :

Revenue from sales of Fibrous Business amounted to Baht 26,835 million, similar to the previous year. Although foodservice packaging grew fast, market prices of pulp products have gone down. As a result, EBITDA was Baht 3,835 million, a decrease of 6% compared to the previous year.

Revenue from Sales

26,835

Baht million

≈ similar to the previous year

EBITDA

3,835

Baht million

▼ decreasing

6%

from the previous year



Recycling Business and Others :

Revenue from sales of Recycling Business and Others amounted to Baht 8,669 million, an increase of 80% due to the result of expansion into packaging materials recycling business with the Merger of Peute Recycling B.V. (Peute), the Netherlands, and Jordan Trading Inc. (Jordan), the US.

Revenue from Sales

8,669

Baht million

▲ increasing

80%

from the previous year

EBITDA

3,290

Baht million

▼ decreasing

25%

from the previous year

Business Challenges

In 2023, the global economy faced the challenge of a decelerated purchasing power due to high interest rates, especially in major economies, slow consumption recovery in China due to stagnation in the real-estate industry, and the China-United States trade war. However, packaging demands in ASEAN recovered strongly due to expanding domestic consumption and tourism in the region, especially in the consumer goods such as food, beverage, and daily products. On the other hand, ASEAN exports were still impacted by the global economic situation. This is especially true when exporting to Europe and the US, which are the main export markets for ASEAN products, specifically for luxury goods and durable goods such as electronics, clothes, and shoes. For the ASEAN region, the Company's packaging paper price is still under pressure. Thus, the Company prepared for the upcoming challenges with growth strategies from Merger and Partnership (M&P), and the expansion of packaging and relevant businesses while looking for others with high potential. These efforts were conducted alongside constant development of packaging innovations and solutions, improvements of supply chain integration, and proactive management planning in order to combat uncertainty, driving the business through the ESG 4 Plus framework to achieve Net Zero by 2050.



Business and Investment Development

- Acquired 100% shares in Law Print & Packaging Management Limited, a prominent packaging solution provider in the UK to expand sales channels and SCGP's customer network. It focuses on pet food products, a fast-growing market in Europe and the UK. This investment improves SCGP's performance on the entire supply chain, leading to increased revenue shares from current and future customers.
- Acquired 85% shares in Bicappa Lab S.r.L. through Deltalab, S.L., a subsidiary company in which SCGP holds 85% shares. Bicappa Lab S.r.L., a medical supplies & labware manufacturer specialized in pipette tips product based in Italy. This was done in order to enhance Deltalab's business through backward integration by sourcing pipette tips and important medical supplies for Deltalab. Moreover, the investment brought in knowledge regarding polymer injection technology for auto-pipetting and automation.
- Acquired 70% shares in Starprint Vietnam Joint Stock Company (SPV), a renowned offset folding carton manufacturer from Vietnam, in order to support steadily increasing demands of packaging in Vietnam. Offset printing service and high-quality rigid boxes were introduced to the supply chain, allowing the already integrated packaging solutions of SCGP to answer customer demands on a broader scale.



Human Resource Development

- Encouraged continuous self-development of employees as per the SCGP Learning Framework to ensure that their capabilities were ready to grow with the Company sustainably, and were up-to-date and able to overcome new challenges, including fast-paced demand, evolving lifestyles of consumers, and new environments. Also ensured that employees possess knowledge, functional competencies, and leadership competencies through various forms of learning and through the 70:20:10* learning model. Employees could improve themselves anytime and anywhere with a learning platform that output learning performance in line with organizational capabilities and people capabilities.
- Enabled employees to choose their futures with the principle of “Design Your Career, Design Your Life” and to improve themselves through an “inner drive”. Employees could design their careers through competency assessments and compare the results with positions in the organization, which in turn helped employees envision their own career paths. This also encouraged employees to emphasize learning, self-development, and competency-building in order to respond to the organizational vision and pass values to customers while meeting their own needs and growing alongside customers and the organization.
- Assessed high-performance employee groups (or talent groups) annually and ensured that the assessment criteria were in line with the vision and mission of the Company. In addition, the Company encouraged talented employees to conduct personal development planning on top of participating in useful learning programs, such as mentoring systems or project assignments. In turn, the employees were enabled to accumulate skills, competencies, and leadership as future leaders in accordance with succession planning.
- Boost up+ Program provided a learning opportunity for self-improving employees with the freedom to choose any course, whether it is related or unrelated to their duties, and within a designated budget (Baht 1,500/person/year). Self-improvements can be in the form of attending training programs, seminars, workshops, or online courses that takes place domestically or overseas.

- Developed the Newcomer Program for each field of work (by function) by designing learning courses and icebreaker activities for new employees, with or without work experience, through the 70:20:10 learning model. As a result, employees gained insights into the business, have a better understanding of the context of their jobs and their responsibilities, and are able to convey the core values of the business. In addition, the program also encourages rapport-building between employees.
- Reviewed functional competencies by outlining the knowledge and skills that are essential for operations and aligned them more closely with the duties and responsibilities of each unit in the organization. After a thorough review, the functional competency of the organization increased from 220 to 280.



- Cooperated with PT Fajar Surya Wisesa Tbk., Indonesia, in developing a technical training roadmap program to improve the competency and skill threshold in accordance with technological advancements and business context. For example, developing an internal instructor course for Indonesian SCGP staff to become future trainers and coaches by imparting knowledge in an efficient manner or offering over 20 courses on topics such as production, maintenance, energy, safety, or the wastewater treatment system. The participation rate was 86% or higher, with functional competency gaps being covered through these learning courses.
- Stimulated and encouraged all employees to maintain strict safety compliance, starting with oneself before others, and becoming a good role model for colleagues to ensure business security.

Notes : *The components of 70:20:10 learning design are as follows;
 70 is the process of learning through actual work
 20 is developed with mentorship or organization expert help
 10 is learning through both in-person and online courses

Business Model, Solutions, and Product & Service Development



- Signed a joint development agreement with Origin Materials to develop a world-class innovation with advanced technology by converting eucalyptus woodchip into Bio-PTA (Bio-Purified Terephthalic Acid), which can be used to manufacture bio-based plastics; achieving a sustainable packaging solution for application in various industries.



- Signed MoU between Charoen Pokphand Foods Public Company Limited (CPF) and SCGP for innovations in paper and polymer-based packaging to come up with sustainable packaging solutions in CPF that are eco-friendly, clean, and safe for consumers.



- Encouraged development collaboration on “sustainable packaging” and invited over 40 allied local and overseas companies to share their opinions and experiences with the ultimate goal of implementing eco-friendly packaging throughout the entire process of “SCGP Circularity in Action : Pursuit of Packaging Sustainability”.
- Cooperated with the Srinakharinwirot University in researching 3 special probiotic strains to be developed as key components of the HOLIS by SCGP products.



- Cooperated with Siriraj Hospital to rebrand the Siriraj’s cosmetic product line through integrated packaging solutions. The partnership aims to modernize the brand’s identity and product packaging, enhancing aesthetic appeal and ease of use. This initiative is set to expand the customer base by making quality cosmetics more accessible.



- Collaborated with Robinhood to expand distribution channels for premium quality copy paper, “Idea by SCGP”, by supporting new customer groups and providing convenience to consumers through “Robinhood Mart”.
- Developed a safe foodservice packaging solution, “Fest by SCGP”, by taking advantage of the demands of the food manufacturing industry. The main component consists of eucalyptus fiber which are fast-growing plants that are renewable and economic and as it decomposes naturally. Products include, Fest Redi Pak, for example, which is paper tray for ready meal. It is convenient, easy to handle, and can withstand heat up to 100°C. It is also 100% decomposable and has a film coating which added value to the product and can be recycled. Fest Fresh Pak that preserves the freshness and taste of food through an effective oxygen barrier, does not shrink when wet and can be refrigerated between 3 - 5°C. Also, SCGP partnered with “Tao Bin” to develop Fest Vending Pak, paper cups with stylish prints for vending machines which were designed to be durable and not easily deformed, thus the need for imports and storage space.
- Developed “HOLIS by SCGP” dietary supplements, such as : HOLIS by SCGP CHO-LESS Cap with the main component, Jiaogulan powder, researched and developed by SCGP; HOLIS by SCGP PROBIO ACTIVE PLUS combining 3 main components - prebiotics, probiotics, and postbiotics; and HOLIS by SCGP Active Collagen Jelly containing Collagen Dipeptide Type I imported from Japan, Sakura extract, 3 types of blood orange extract, and bamboo mushroom powder from the research and development of SCGP.



- Developed ALMIND by SCGP-Personal Care Product, such as : ALMIND Ultramild Foaming Hand Wash, which are mild alcohol hand sanitizers that reduce the accumulation of viruses and bacteria and changes color when rubbed for 30 seconds; ALMIND Ultramild Baby Head to Toe which are foam wash and shampoo products; ALMIND Ultramild Kids Shampoo & Conditioner, 2-in-1 shampoo and conditioner; and ALMIND Ultramild Kids Body Wash, a body wash gel. Every product is certified as hypoallergenic as tested by Faculty of Pharmacy, Mahidol University, dermatologically tested by DermScan Asia, and contains AQUACELLA, a special invention of SCGP that maintains skin moisture.

Business Operations Following Sustainability Principles and ESG

SCGP values the importance of achieving 25% greenhouse gas reduction by 2030 compared with the base year 2020, covering operations in Thailand and abroad. It also has set a target to achieve Net Zero emissions by 2050 as part of the joint effort to limit the rising of average global temperature not exceeding 1.5 Degrees Celsius in accordance with the Paris Agreement. Furthermore, SCGP intends to reduce water withdrawal by 35% by 2025, compared with Business As Usual (BAU) levels recorded in the base year of 2014. In order to achieve these desired outcomes, we are committed to careful control of operations under good governance processes following international guidelines. In addition, SCGP has reduced industrial waste while increasing the ratio of recycled paper and recyclable plastic packaging with the target to accomplish 100% recyclable, reusable, or compostable packaging by 2030.

Energy Management and Climate Change

- Installed anaerobic wastewater treatment for United Pulp and Paper Co., Inc. (UPPC), the Philippines, which can produce methane of approximately 46,000 Nm³ per month. In addition, the anaerobic wastewater treatment of Thai Cane Paper Public Company Limited, Kanchanaburi Plant, was changed from an open system to a closed system, which can produce methane of 50,900 Nm³ per month while reducing the use of coal. Both projects curbed GHG emissions by 13,759 t CO₂eq per year and saved coal expense by Baht 17.16 million per year.
- Compiled and disclosed climate issues as per the Task Force on Climate-related Financial Disclosures (TCFD) to analyze impacts and assess imposed risks, including the probability of their occurrence within and outside of the Company due to climate change. Potential situations during the transition period were considered in accordance with the Announced Pledges Scenario (APS) and Net Zero Emissions (NZE) and concluded by 2050 as laid out by the International Energy Agency (IEA), as well as situations which can cause immediate or chronic physical impacts.
- Gathered information and calculated GHG Scope 3 using the emission factor provided by Thailand Greenhouse Gas Management Organization (Public Organization) or TGO. Information was reviewed by third parties and continued into 2023. Buyers had an opportunity to learn about GHG Scope 1, 2, and 3, including the carbon footprint of products through a special training to raise their awareness and support GHG measurement of suppliers. The training was attended by 160 buyers in total.





- Cooperated with 2 suppliers to calculate the emission factors of each product. With 2023 as the first year of this program, the focus was on Carbon Footprint for Organization (CFO) and Carbon Footprint of Products (CFP) in order to facilitate future GHG reduction planning in an efficient manner.
- Held 2023 Supplier Day to share and raise awareness on ESG knowledge and guidelines of SCGP. The topic on operations to reduce GHG emission were also included.

Water Management

- Planned Business Continuity Management (BCM) for continuous business operations in line with disaster mitigation guidelines of United Nations Office for Disaster Risk Reduction (UNDRR) by utilizing analytical data from the WRI AQUEDUCT database, the Office of the National Water Resources' database, and the Royal Irrigation Department's database to establish proper practices for each situation. An example would be the El Nino phenomena, which will affect the world for 3 years (2023 - 2025). Moreover, SCGP sent representatives to join various River Basin Committee, such as the Mae Klong Basin, Bang Pakong Basin, etc., to collaborate with the government and the private sector in managing water in the area sustainably, and to analyze water situations while maintaining BCM for backup plans.
- Improved water use efficiency on a continuous basis by analyzing the production processes from upstream to downstream and finding better solutions for the Company through upgrades of technology and machinery, the implementation of water-saving equipment such as filters, and the installation of a water seal system within equipment, such as a water pump and an impeller, to raise the efficiency of water use in production. As a result, the Company saved water by 1.4 million m³ per year, amounting to Baht 3 million per year. Furthermore, additional water tanks were built with the introduction of the strainer system, which allowed versatile particle separation at 40 - 450 microns. Many filters were installed in the production processes and could be reused, thus saving water by 0.8 million m³ per year.

Industrial Waste Management

- Managed industrial waste on a continuous basis based on the 3R (Reduce, Reuse and Recycle) and Circular Economy principles. For example, reducing waste generation by having an optimal hazardous and non-hazardous waste management, such as turning plastic waste into recycled plastic pellets, or turning fly ash and bottom ash into bricks, etc. Gathered and disposed non-recyclable waste and packaging to support a Circular Economy while complying with national and international measures, such as Extended Producer Responsibility (EPR), and made continuously improvements on reusing or recycling waste into value-added products. The volume of waste generated and dumped in a landfill site in Thailand was 0 ton (no dumping). A total of 100% of the waste was used in recycling and energy recovery.
- Managed size of paper cores for paper rolls of Thai Cane Paper Public Company Limited for minimal waste generation. High-quality paper cores from paper plants in the group were used in rotation with optimal efficiency. As a result, the amount of core scraps was reduced by 20 tons per year.
- Reduced hazardous waste generation from the wastewater treatment in the printing process that used ink containing a high concentration of copper. The solution was to separate copper from the ink through chemical precipitation that was done by Innovation and Product Development Center research teams. In addition, low-copper ink was considered for production to reduce overall hazardous waste.
- Managed and utilized fly ash and bottom ash, which are byproducts of coal-fired electricity and steam generation. SCGP turned them into a brand-new type of brick named Miracle Block. It is used for temporary and permanent wall-building. It is easily adjustable and can be transported with ease. It is durable, strong, and has firm adhesion as well as high heat-resistance and eco-friendly properties. In addition, SCGP used approximately 4,000 tons of fly ash and bottom ash in "Khudiny by SCGP" fertilizers produced by Siam Forestry Co., Ltd.



Environmental Engagement and Recognition

- Participated in the Dow Jones Sustainability Index (DJSI) participation invited S&P Global as a result of the 2023 Corporate Sustainability Assessment (CSA) in the Containers & Packaging Industry. Based on the announcement of results on December 8, 2023, SCGP received a total score of 85, representing the top 1% for the Containers & Packaging Industry by S&P Global.



- Underwent the 2023 SET ESG Rating sustainability evaluation and was placed in the AAA group.
- Won 2 awards from Netherlands-Thai Chamber of Commerce (NTCC) : the “Outstanding in Corporate Governance Award” for companies with excellent governance and the “Appreciation Award : Thai Investor in the Netherlands” for companies investing in the Netherlands.
- Received a plaque as the Climate Action Leading Organization (CALO) with at least 2 Gold ratings for an outstanding performance based on 3 assessment criteria : Measure, Reduce, and Contribute. The assessment was made by the Thailand Carbon Neutral Network (TCNN), part of Thailand Greenhouse Gas Management Organization (Public Organization) or TGO.



- Cooperated with Thai Paper Co., Ltd., Siam Kraft Industry Co., Ltd., and Thai Cane Paper Public Company Limited to submit and receive carbon footprint labels with a total of 59 products and 55 Circular Economy products by the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO. This displayed SCGP’s commitment and responsibilities to reduce resource consumption, increase recycled material proportions, and develop a more efficient production process leading to low-carbon products. As such, SCGP also prepared for domestic and international taxations to create competitive advantages on an environmental aspect and is committed to elevate the Company’s strengths to gain national and international recognition.

SCG Packaging Public Company
Containers & Packaging

S&P Global CSA Score 2023
A key component of the S&P Global ESG Score

85 /100

As of December 8, 2023
The S&P Global Corporate Sustainability Accessibility (CSA) Score is the S&P Global ESG Score without the inclusion of any modeling approaches. Company scores can be compared to their peers in the same industry. Learn more at sglobal.com/esg/scores

S&P Global Sustainable 1



Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA



Social and Environmental Activities



SCGP Conserving Environments from the Mountain through the Sea Project

Collaborated with government sectors communities and volunteers to build a total of 627 check dams around water sources in Kanchanaburi, Khon Kaen, and Ratchaburi provinces. This helped to return moisture to the forest, and it led to an endless circulation of water in the system that communities can use sustainably.

SCGP Plant the Trees to Beat the Heat Project

Collaborated with Kanchanaburi Royal Volunteer Spirit Administrative Center for SCGP's volunteer activity : the SCGP Plant the Trees to Beats the Heat Project. SCGP also collaborated with employees and community volunteers, including three world-class female professional golfers, "Moriya Jutanugarn (Pro Mo)", "Ariya Jutanugarn (Pro May)", and "Pajaree Anannarukarn (Pro Meaw)". This initiative involved planting 999 trees at Ban Nong Hin-Khao Soong, Tha Maka District, Kanchanaburi Province on December 5, 2023 to commemorate the birthday of His Majesty King Bhumibol Adulyadej The Great, and to restore natural ecosystem and biodiversity. December 5 of every year is observed as Father's Day in Thailand and also marked World Soil Day. In 2023, SCGP planted and conserved trees to enhance areas that are capable of absorbing and storing atmospheric carbon dioxide in Ratchaburi, Kanchanaburi, Prachinburi, and Khon Kaen provinces, where the factories are located. A total of 62,549 trees have been planted and conserved, and the effort is ongoing as part of SCGP's commitment to preserve the planet and to pass on a sustainable world to future generations.

Used Paper Recycling Project by SCGP Recycle

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

- Collaborated with MCOT in the "MCOT Cares : Paper-Cycle" project to provide knowledge and encourage contribution from MCOT employees to



sort out leftover paper for recycling. A total of 1,340 kilograms of leftover paper was exchanged for 30 reams of copy paper.

- Collaborated with Ichitan in the "Community Feel Good & Ichitan Happy" project to recycle 47 tons of leftover paper from Ichitan Green Factory into 22 sets of paper furniture. These were donated to Wattanodtia School in Phra Nakhon Si Ayutthaya.
- Collaborated with UNIQLO (Thailand) to encourage the use of paper decorations and display shelves across 66 UNIQLO branches nationwide to raise awareness on green materials.
- Collaborated with Thailand Post in the "reBOX" project for the 4th consecutive year using the theme of "Lovely Box within Reach". This framework gathered and recycled a total of 138 tons of leftover boxes and envelopes into paper boxes. These paper boxes are then donated to agencies such as the Thai Red Cross Society, Thailand Association of the Blind, and Low Vision Association Thailand.





Career Building with Paper Band Weaving Project

Promoted weaving craft using paper bands from paper production and improved crafting performances of students and surrounding communities to continuously develop various types of products. In 2023, Ban O I Khiao community, Ratchaburi province, and Ban Tha Takhro, Kanchanaburi province, won “By-products to Happiness”, a business model competition hosted by the Department of Industrial Works. In the same year, communities made a total of Baht 2.39 million in revenue.



SCGP Packaging Speak Out 2023 Project in Thailand

Held a packaging design contest, “SCGP Packaging Speak Out 2023”, for the 8th consecutive year in Thailand, allowing creative students to express their minds to the world by making innovative packaging designs. The concept of the contest was “Packaging for Seniors” to support the trend of an aging society while considering effective uses of resource and eco-friendliness. A total of 288 ideas from several fields of study and institutions around Thailand were submitted.

SCGP Packaging Speak Out Vietnam 2023 Project

Expanded the packaging design contest by holding “SCGP Packaging Design Speak Out Vietnam 2023” for university students in Vietnam for the 3rd consecutive year, in order to help instill creativity in new generations and provide a platform to promote innovative packaging design. The concept of the contest was “Sales-promoting Packaging”, which is in alignment with growth trends in Vietnam. A total of 97 ideas from several institutions in Vietnam were submitted.

SCGP Zero Waste Community Project

For the 4th consecutive year, SCGP cooperated with Ban Pong District and 17 local governmental organizations from Ratchaburi province to promote a Circular Economy and uplift the district as a role model of efficient waste management. In addition, SCGP brought this project to 46 communities in Prachinburi, Kanchanaburi, and Khon Kaen province, where SCGP’s plants were also located at, and removed over 1,505 tons of waste from these communities through action learning. As a result, this project has made 143 communities role models of waste management, and 183 more role-model communities are to be expected by 2030.

Act for the Better World Project

Encouraged employees to act for the betterment of society, communities, and the world, by an activity where employees could bring used paper to sort and send them in every month between March - November 2023. This paper was recycled and manufactured into paper desk and chair sets and bookshelves. They were then donated to the Foundation for Slum Child Care to celebrate Children’s Day in 2024. There was a total of 4,658 kilograms of waste paper.



Awards and Achievement in 2023



- SCG Foundation, in collaboration with SCGP, won the National Innovation Award of 2023 in the Social and Environmental Contribution category with “Mobile Paper Bed Innovation for Medical Units”. The event was hosted by the National Innovation Agency.
- SCGP won 3 awards which were “Outstanding CEO Awards”, “Outstanding CFO Awards”, and “Outstanding Investor Relations Awards” in the category of industrial products in IAA Awards for Listed Companies 2022. The event was hosted by the Investment Analysts Association.
- SCGP won “Outstanding in Corporate Governance Awards” due to business adherence to corporate governance. The event was hosted by the Netherlands-Thai Chamber of Commerce.
- SCGP won “Thailand Energy Awards” from the innovative waste-to-energy combustor. The event was hosted by Minister of Energy.



- SCGP won 2 outstanding awards in the SET Awards 2023 for the 2nd consecutive year. The first award was the “Business Excellence Awards” in the category of Best Innovative Company Awards from Detect Odor Monitoring, an innovative and comprehensive odor monitoring system. The second was the “Sustainability Excellence Awards” in the category of

Best Sustainability Awards from business operations in line with sustainable development from the Stock Exchange of Thailand.

- Companies in SCGP won a total of 8 awards in the packaging design contests, including :

Global Awards

- Thai Containers Group Co., Ltd. won a total of 2 awards in “WorldStar Awards 2023”, which is hosted by the World Packaging Organization, in categories “Luxury Package” and “Point of Purchase”.

ASEAN Awards

- Thai Containers Group Co., Ltd. won a total of 3 awards in “AsiaStar 2022”, which is hosted by The Asian Packaging Federation. 2 awards were from the category “Gift Package”, and 1 award was in the category “Transport Package”.

National Awards

- Thai Containers Group Co., Ltd. and Thai Paper Co., Ltd. won a total of 3 awards in “ThaiStar Packaging Award 2023”, which is hosted by the Ministry of Industry, in the category “Consumer Package”.



- SCGP was certified ISO 27001:2013 for data security management by the British Standards Institution (BSI), an international standards body.

- Thai Containers Group Co., Ltd., Ratchaburi Plant, won the Best Risk Management of the Year 2023 award from World Corrugated Awards 2023. The event was hosted by the Asian Corrugated Case Association (ACCA).



Prepack Thailand Co., Ltd. was certified RecyClass (Class A) for mono-material plastic packaging in the category of R1-PE Mono-layer Pouch by RecyClass, a certification body for recycling and traceability of recycled materials used for plastic products.

Companies in SCGP won the Outstanding Workplace Award for Safety, Occupational Health and Environment in 2023 from the Ministry of Labor with a total of 18 awards.

Platinum Award

- Thai Containers Group Co., Ltd., Pathum Thani Plant
- Thai Containers Group Co., Ltd., Ratchaburi Plant
- Thai Containers Group Co., Ltd., Songkhla Plant
- Thai Containers Group Co., Ltd., Samut Prakan Plant
- Thai Containers Group Co., Ltd., Nava Nakorn Plant

Diamond Award

- Thai Containers Khonkaen Co., Ltd.
- Thai Containers Rayong Co., Ltd.
- Tawana Container Co., Ltd.

Gold Award

- Thai Containers Group Co., Ltd., Kamphaeng Phet Plant
- Thai Containers Group Co., Ltd., Chonburi Plant
- Orient Containers Co., Ltd., Om Noi Plant
- Thai Cane Paper Public Company Limited, Kanchanaburi Plant

- Thai Cane Paper Public Company Limited, Prachinburi Plant
- Phoenix Pulp & Paper Public Company Limited
- Thai Paper Co., Ltd., Samut Sakhon Plant
- Siam Forestry Co., Ltd., Kamphaeng Phet Plant
- Siam Forestry Co., Ltd., Chum Phuang Plant
- Siam Forestry Co., Ltd., Phra Yuen Plant

Companies in SCGP won the Silver Award in “Thailand Quality Prize 2023”. The event was hosted by the Technology Promotion Association (Thailand - Japan) with a total of 2 awards.

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

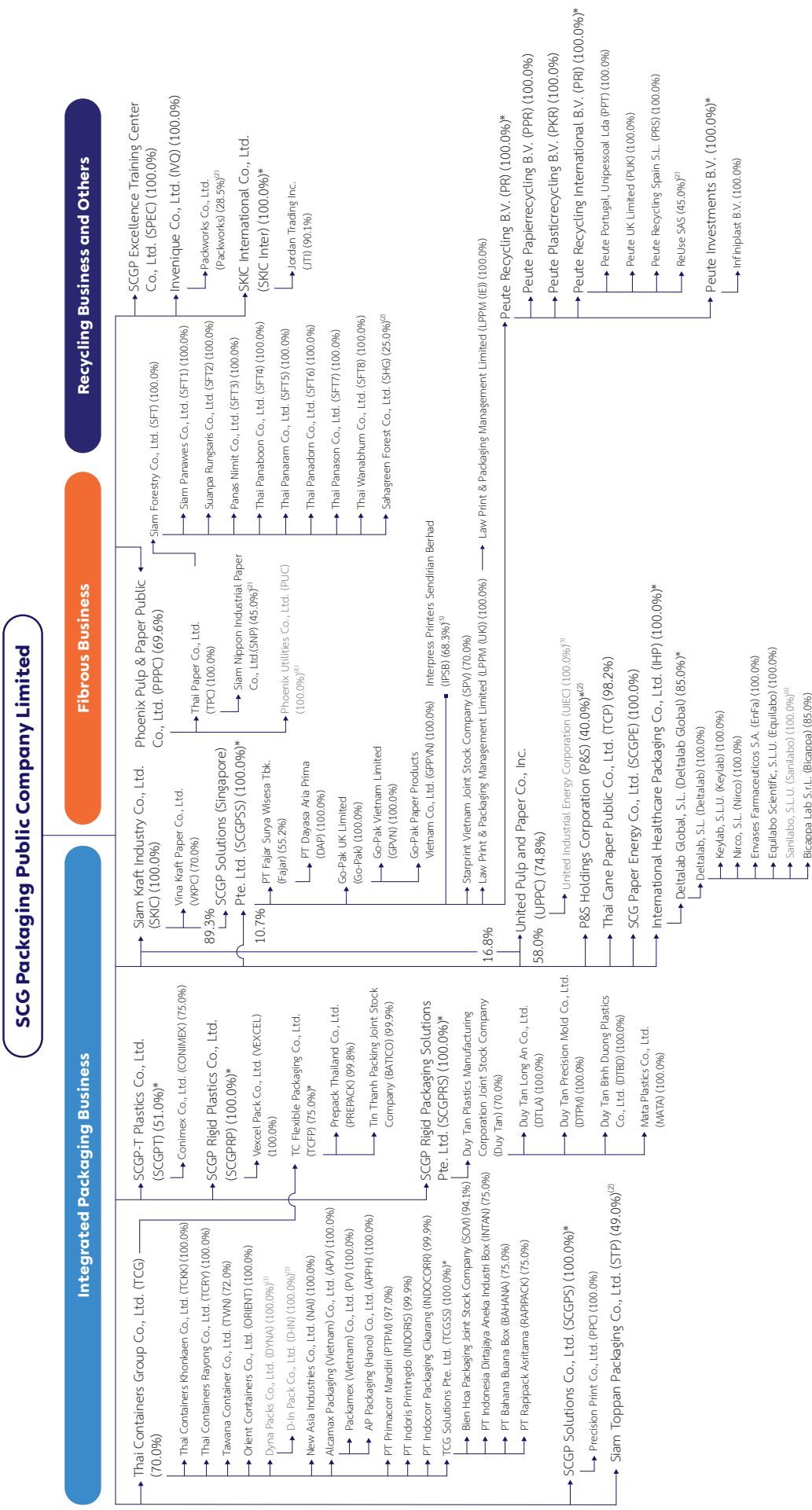
Companies in SCGP received the Outstanding Organization Award on Labor Relations and Welfare in 2023 from the Ministry of Labor with a total of 7 awards.

- Siam Kraft Industry Co., Ltd., Wangsala Plant
- Thai Cane Paper Public Company Limited, Kanchanaburi Plant
- Thai Containers Group Co., Ltd., Pathum Thani Plant
- Thai Containers Group Co., Ltd., Ratchaburi Plant
- Thai Containers Group Co., Ltd., Samut Prakan Plant
- Tawana Container Co., Ltd.
- Orient Containers Co., Ltd., Om Noi Plant

- Companies in SCGP won the CSR DIW Continuous Award 2023 from the Ministry of Labor with a total of 4 awards.
 - Siam Kraft Industry Co., Ltd., Banpong Plant
 - Siam Kraft Industry Co., Ltd., Wangsala Plant
 - Thai Cane Paper Public Company Limited, Kanchanaburi Plant
 - Thai Cane Paper Public Company Limited, Prachinburi Plant
- Companies in SCGP won the Gold Plus Awards for industrial factories that provide social contributions. The event was hosted by the Ministry of Labour with a total of 2 awards.
 - Siam Kraft Industry Co., Ltd., Wangsala Plant
 - Thai Paper Co., Ltd., Wangsala Plant
- Thai Paper Co., Ltd. was awarded Green Industry Level 5 by the Ministry of Industry.
- Bien Hoa Packaging Joint Stock Company (SOVI) won Top 20 Famous Brand of Vietnam. The event was hosted by the Vietnam Standard and Consumers Association.
- DeltaLab Global, S.L. won the Best Food Science Division (FSD) Channel Partner hosted by Bio-Rad Laboratories, a global leader in chemicals and life-science equipment.
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company won the Top 50 Fastest Growth in Vietnam. The event was hosted by the Vietnam Assessment Report Joint Stock Company (VNR).
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company won the Vietnam High-Quality Goods Award. The event was hosted by the Business Association of High-Quality Vietnamese Products.
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company won the Vietnam High-Quality Goods Integrated. The event was hosted by the Business Association of High-Quality Vietnamese Products.
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company won the Top 15/25 Top Brands of Personal and Industrial Consumer Goods. The event was hosted by the Forbes Magazine.
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company won the Vietnam Strong Brand Award in the Green Growth Enterprise Category. The event was hosted by the VnEconomy Magazine.
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company won the Asia Pacific Enterprise Awards (APEA) in the Inspirational Brand Category. The event was hosted by the Enterprise Asia.
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company won the National Green Economy in the Friendly Environment Product Category hosted by the Vietnam Economic and Trade Information Consulting Association - Institute of Law and Environmental Protection.
- Duy Tan Plastics Manufacturing Corporation Joint Stock Company won the Enterprises Use Energy Economically and Effectively 2023 hosted by the Ho Chi Minh City Department of Industry and Trade and the United States Agency for International Development (USAID).
- PT Fajar Surya Wisesa Tbk. won the Company's Synergy and Full Support in the Surya Abadi Employee Consumer Cooperative (KKSA) hosted by the PJ Regent of Bekasi.

Shareholding Structure as of December 31, 2023

As of December 31, 2023, SCGP holds shares in 84 subsidiaries and 6 associated companies. The operations are divided into three businesses : 1) Integrated Packaging Business
 2) Fibrous Business 3) Recycling Business and Others, with detail of shareholding as follows :



Remarks : ^{*}Holding Company
⁽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⁾ Associated companies.
⁽³⁾ UIEC registered the termination of its business on April 24, 1997.
⁽⁴⁾ UIEC 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.
⁽⁵⁾ SCGPSS has 68.3% of PSB's total voting rights as some of the shares that SCGPSS holds in PSB are net preferred shares with no voting rights.
⁽⁶⁾ Santilabo deregistered with the Commercial Registry on December 27, 2023, and is currently in the process of transferring entire business to both Equilabo and Nirco.

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

SCGP is a holding company. The Company is entirely qualified according to criteria in the Announcements⁽¹⁾, with the following details.

Comparison Criteria of the size of the Company	Qualifications according to the Holding Company Announcement	Qualifications of the Company ⁽²⁾ (%)
1 The size of the subsidiaries that operate main business compared to the size of the Company <u>Total assets - Investments in associates and other companies</u> Total assets	≥ 25.0%	99.46
2 The size of companies that operate main business compared to the size of the Company <u>Total assets - Investments in other companies</u> Total assets	≥ 75.0%	99.99
3 The size of other companies compared to the size of the Company <u>Investments in other companies</u> Total assets	≤ 25.0%	0.01

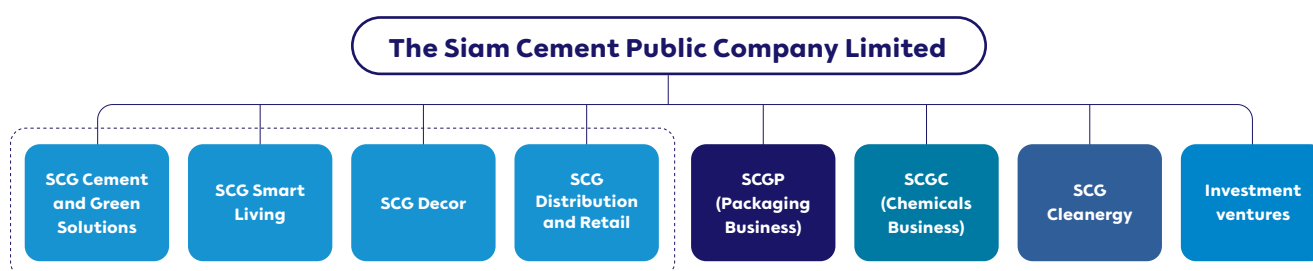
Remarks : ⁽¹⁾ Indicated in the Announcement of Stock Exchange of Thailand Board of Governors, numbered TJ. 39/2559, on requesting permission and granting permission to new share offerings, dated 30 September 2016 (including the amended version), and the Announcement of the Office of the Securities and Exchange Commission, numbered SJ. 50/2561, on the consideration of the size of a company, about the granting permission of new share offerings from a holding company, dated 28 September 2018.
⁽²⁾ Calculated according to the information in SCGP's consolidated financial statements for the year ended 31 December 2023.

Relationship with Business Groups of Major Shareholders

The Siam Cement Public Company Limited (SCC) is the Company's major shareholder, with a shareholding of 72.12% of the Company's issued and paid-up capital. The group enters into related transactions with ordinary commercial agreements with SCC to sell certain products to SCC, such as industrial bags for cement products, corrugated containers for transport, display advertising and raw materials from SCC group, including petrochemicals and recovered paper. In 2023, SCGP received 2.7% of its incomes from SCC Group (2.7%

in 2022) and also spent 6.4% of its total costs and expenses on SCC Group's products and services (9.6% in 2022). These purchases were made under suitable conditions, at fair prices, and in line with the Company's arm's length transactions with third parties. Moreover, the Company also entered into other related transactions. More information can be found in "Related Transactions."

The organizational structure of the Siam Cement Public Company Limited as of January 1, 2024 is illustrated as follows :



As of January 1, 2024

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

-None-

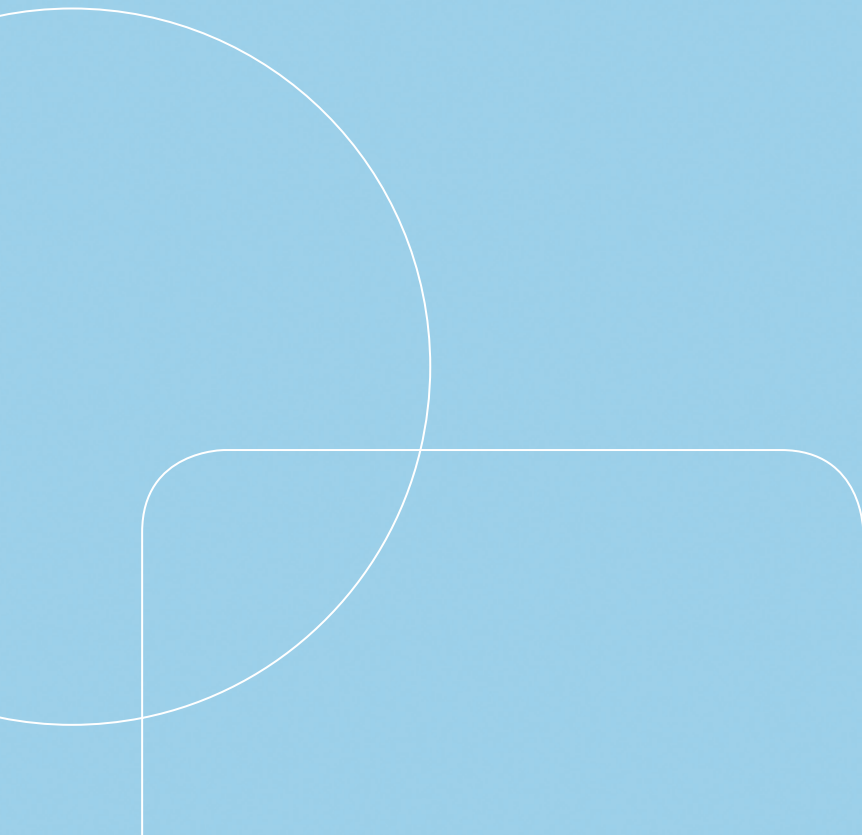
Persons presenting a potential conflict of interest if they hold shares in subsidiaries or associated companies adding up to more than 10% of the votes in that company

-None-



1

Operating Structure



Operating Structure

SCGP Vision, Purpose, Mission and Strategy



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

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

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

SCGP's Business Strategy

- Pursuing quality growth through merger & partnership and organic expansions.
- Aiming to become a top-of-mind packaging solutions provider through various innovations and sustainable products and services in response to the E-commerce megatrend.
- Achieving operational excellence.
- Operating sustainable businesses in line with ESG concepts.

Major Changes and Development

Significant changes and development over the past 3 years in chronological order as follows :



Remark : *Visy Packaging (Thailand) was renamed to Vexcel Pack since September 1, 2022.

July

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

December

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

December

Acquired 70.0% shares in Starprint Vietnam JSC (SPV), a renowned offset folding carton manufacturer from Vietnam, in order to support steadily increasing demand for box packaging in Vietnam. Offset printing service and high-quality rigid boxes were introduced to the supply chain, allowing the already one-stop packaging solution of SCGP to answer customer demands on a broader scale, especially for activities that involve brand-building and marketing.



September

Acquired 90.1% of shares in Jordan Trading Inc. (Jordan), a trader of recovered paper (RCP) based in the USA. The purpose is to enhance SCGP's capability to secure recovered paper, while collaborating and sharing the know-how of increasing the efficiency of SCGP's recycling network in ASEAN and Europe.

2023

December

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



October

Acquired 100.0% shares in Law Print & Packaging Management Limited, a prominent packaging solution provider in the United Kingdom. This would expand SCGP's sales channels and customer networks, especially in the premium segment market of fast-growing pet food manufacturers in the UK and across Europe.

August

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

Acquired 85.0% shares in Bicappa Lab S.r.L., a renowned medical supply & labware manufacturer specialized in pipette tips product in Italy. This would strengthen Deltalab through backward integration with their supplier of pipette tips, which is one of the major premium margin products in Deltalab's comprehensive labware portfolio. Moreover, the investment brought about knowledge regarding polymer injection technology for auto-pipetting and automation.



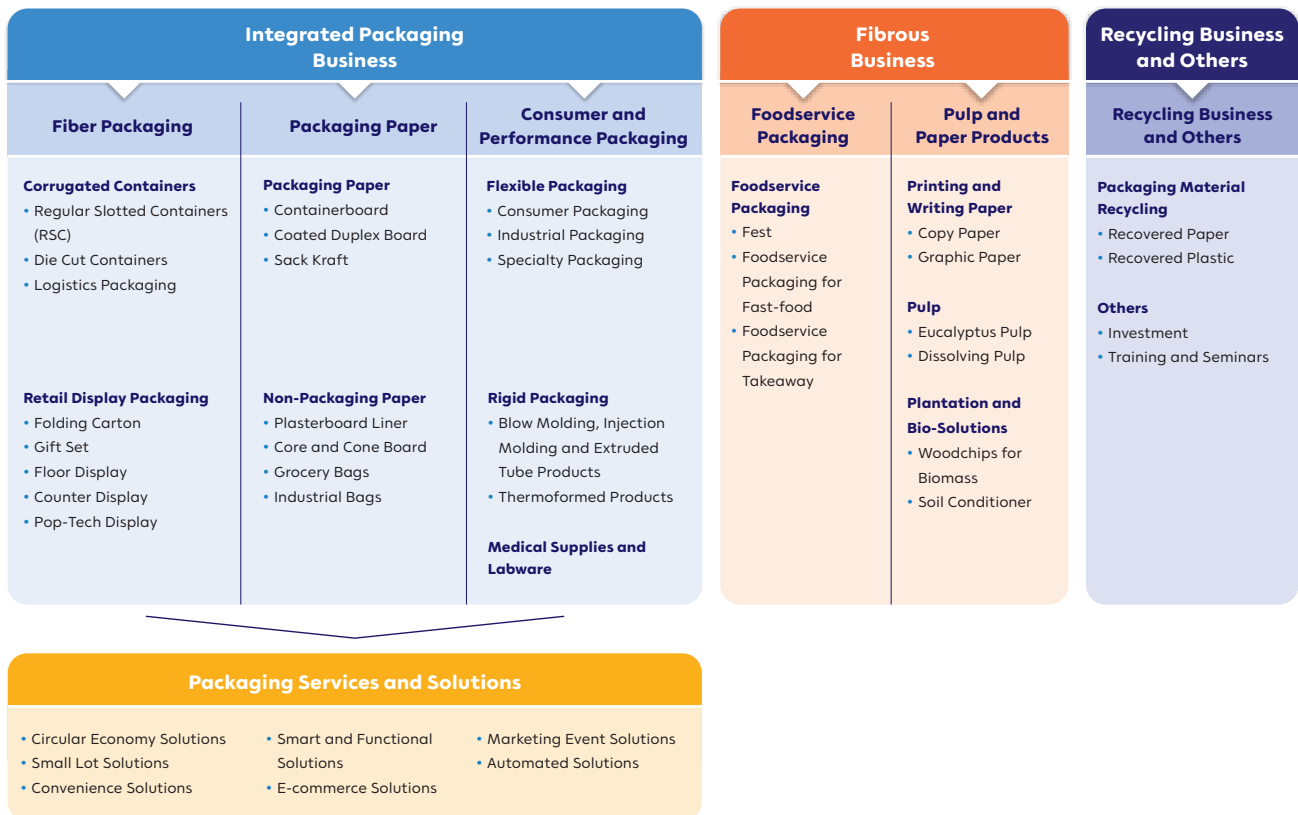
Utilization of Proceeds

SCGP's initial public offering (IPO) of 1,166,920,200 shares comprised of 1,127,550,000 newly issued ordinary shares in the IPO; and an over-allotment of 39,370,200 newly issued ordinary shares to the overallotment agent at a selling price of Baht 35.00 per share. The Company received net proceeds of Baht 40,092 million after the deduction of expenses related to the IPO from the initial process of Baht 40,842 million. As at 31 December, 2022, the Company has fully used proceeds from the share of Baht 40,092 million offering, as reported to the Stock Exchange of Thailand on January 24, 2023 as follows :

Description	Amount	Proceeds used until December 31, 2022
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	Baht 27,000 million
2. For the repayment of loans from financial institutions (which may include the financial institutions having a relationship with the financial advisor and/or the lead underwriter and/or the underwriters).	Baht 13,000 million	Baht 13,000 million
3. For the Company's working capital.	Baht 92 million	Baht 92 million

Nature of Business

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



Integrated Packaging Business :

SCGP offers Fiber Packaging, Packaging Paper, and Consumer and Performance Packaging. The Company produces and sells corrugated containers, retail display packaging, recycled grocery, and industrial bags for fiber packaging, flexible packaging, rigid packaging and medical supplies and labware. Moreover, SCGP Inspired Solutions Studio, the comprehensive product design and development center can offer award-winning design services for packaging products, Point-of-Sale systems, and other marketing and promotional events for customers.

Fibrous Business :

SCGP offers foodservice packaging, and pulp and paper products comprising mainly printing and writing paper, pulp, plantation and bio-solutions.

Recycling Business and Others :

SCGP offers recycled paper and plastic materials in Europe and the US. The investment would enable SCGP to expand into the rapidly growing international packaging materials recycling business and access raw material sources directly. This also supports SCGP's long-term strategic direction to strengthen all levels of packaging business from strategic raw material sources, upstream and downstream production, to the offering of integrated packaging solutions to customers.

Revenue Structure

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

Unit : Baht million

	Total Holding ⁽¹⁾	Year					
		2023	%	2022	%	2021	%
Integrated Packaging Business⁽²⁾							
Fiber Packaging		31,532	24.4	36,060	24.7	30,861	24.9
Thai Containers Group Co., Ltd.	70						
Orient Containers Co., Ltd.	70						
Bien Hoa Packaging Joint Stock Company	66						
PT Indonesia Dirtajaya Aneka Industri Box	53						
Tawana Container Co., Ltd.	50						
Packaging Paper		49,269	38.1	63,125	43.2	64,506	51.9
Siam Kraft Industry Co., Ltd.	100						
Thai Cane Paper Public Company Limited	98						
United Pulp and Paper Co., Inc.	75						
Vina Kraft Paper Co., Ltd.	70						
PT Fajar Surya Wisesa Tbk.	55						
Consumer and Performance Packaging		16,243	12.5	18,034	12.4	10,196	8.2
Vexcel Pack Co., Ltd.	100						
Deltalab, S.L.	85						
Duy Tan Plastics Manufacturing Corporation Joint Stock Company	70						
Prepack Thailand Co., Ltd.	52						
Tin Thanh Packing Joint Stock Company	52						
Revenue from sales of Integrated Packaging Business⁽³⁾		97,044	75.0	117,219	80.3	105,563	85.0
Fibrous Business		24,894	19.2	24,273	16.6	18,660	15.0
Go-Pak UK Limited	100						
Phoenix Pulp & Paper Public Company Limited	70						
Thai Paper Co., Ltd.	70						
The Siam Forestry Co., Ltd.	70						
Interpress Printers Sendirian Berhad	68						
Revenue from sales of Fibrous Business⁽³⁾		24,894	19.2	24,273	16.6	18,660	15.0
Recycling Business		7,460	5.8	4,576	3.1	-	-
Peute Recycling B.V.	100						
Revenue from sales of Recycling Business⁽³⁾		7,460	5.8	4,576	3.1	-	-
Total revenue from sales		129,398	100.0	146,068	100.0	124,223	100.0

Remarks : ⁽¹⁾ Directly and indirectly holding through the Company and subsidiaries

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

⁽³⁾ Net of intersegment elimination

Product Information

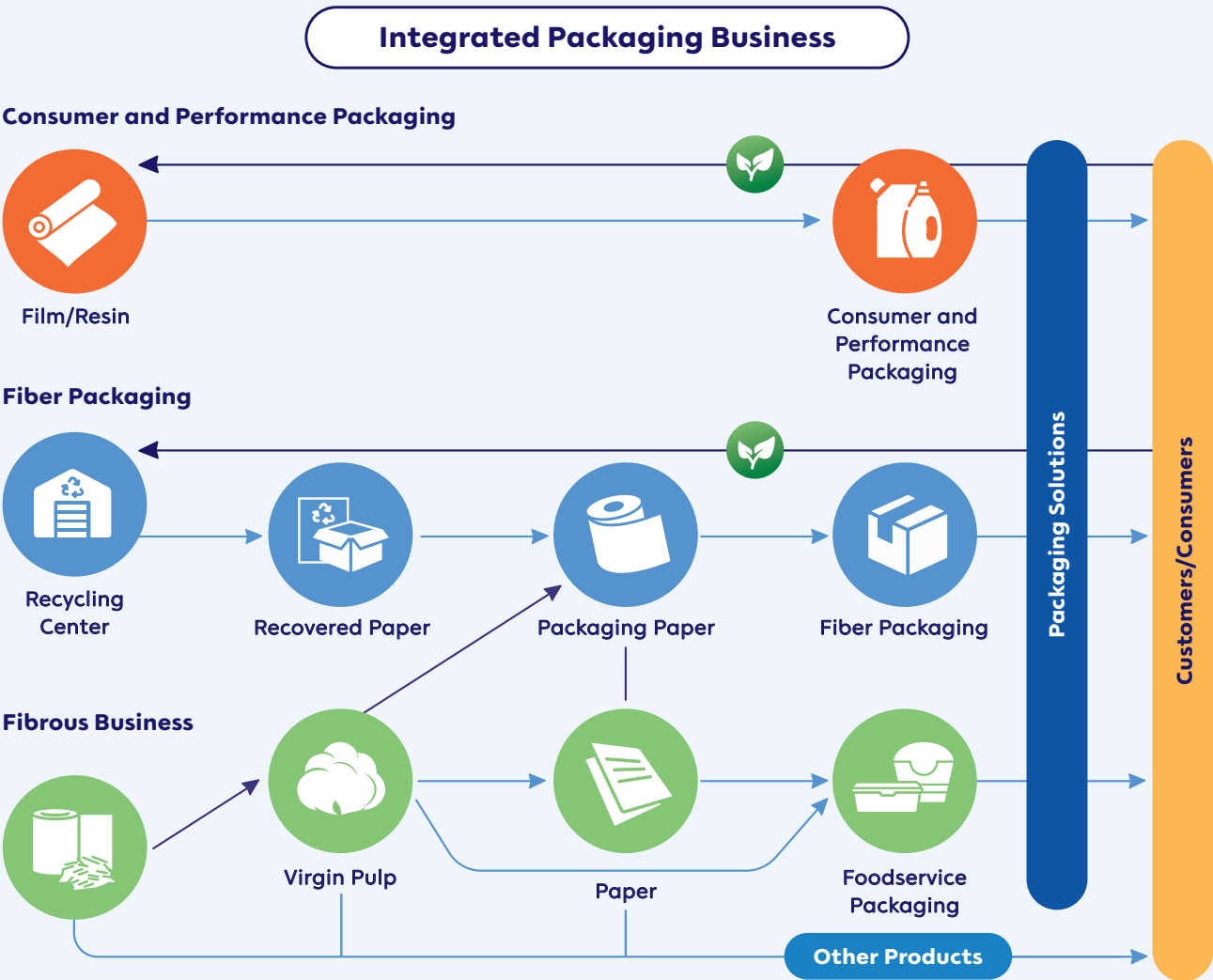
Product Characteristics

SCGP believes that our leading market position in the paper packaging market is on the basis of our long operating history in ASEAN, our understanding of our customers’ needs, and our capability for competitive cost management achieved through economies of scale and our vertically integrated fiber packaging supply chain.

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 for primary (for product packaging), secondary (display and branding), and

tertiary (protection and logistics) services; including promotional and display packaging for marketing purposes by using a variety of substrates such as fiber-based or polymer-based materials. The Company also offers additional services that include design, printing, and other innovative solutions that its customers may need. The control SCGP has over its fiber packaging supply chain uniquely positions the Company to serve its customers better through its proprietary know-how and integration strategies.

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



SCGP's products

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

Integrated Packaging Business

Fiber Packaging

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

Corrugated Containers

The Company's corrugated containers are made of quality containerboard and have multiple usages. In addition to shipping and protecting products from damage, corrugated containers can present product details to communicate with end customers. They can also be designed to prevent counterfeits.

Display Packaging

The Company's retail display packaging includes packaging to help display products at the point of purchase, packaging that can be placed directly on the shelves in retail stores (shelf-ready), and seasonal promotional packaging. These packaging products can serve as an extra layer of protection during shipping.



Packaging Paper

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



Consumer and Performance Packaging (CPP)

CPP products are used for goods that the Company's fiber packaging offerings may not appropriately address, as it requires unique properties such as direct food contact, packaging that can hold liquid content, or carrying a secure seal. CPP products can be divided into three main types : rigid packaging, flexible packaging, and medical supplies and labware. In 2023, revenue from the three categories was 60%, 26%, and 14%, respectively. The details of each CPP product are as follows :

Flexible Packaging

This packaging type can change its shape according to what it contains. Before packing, the product is flat, which saves space for storage and transportation. This type of packaging mostly uses polymer film that is flexible, retractable, and durable, but it can also use paper in some cases. The Company offers a wide range of flexible packaging with an emphasis on quality and practical features. For example, long shelf life or lighter weight for transportation, etc. However, the Company does not manufacture single-use plastic packaging.

Rigid Packaging

Rigid packaging allows products to be clearly displayed on the shelf and makes products 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 shapes and forms for use, such as bottles with resealable caps, squeeze tubes, and packaging with unique diffusers, e.g., spray nozzles, airless mist sprays, pumps, and roll-on balls. The packaging can be used for containing body care products such as body lotions, shampoos, and cosmetics; household cleaning products, detergents; and food and beverage products such as drinking water, syrups, jams, sauce, and ice cream, as well as supplementary food products, vitamins, and automotive products such as lubricants and gear oils.



Medical Supplies and Labware

Medical supplies and labware for collecting or containing laboratory specimens and other supplies used in laboratory processes such as sample storage for body fluid, liquid containers and tubes for vacuum systems, traceable blood collection tube sets for hematology, microtubes and flexible plates for real-time PCR, various types of pipettes for liquid handling, swab test sets, 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 that promote sustainable business operations. To support a full range of packaging services and to address customers' unique needs, the diagram below shows how the Company can respond with products and services for each packaging requirement.



Fibrous Business

Foodservice Packaging

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

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

Moreover, the Company also had a foodservice packaging production base in Malaysia, where Interpress Printers Sendirian Berhad (IPSB) is responsible for manufacturing and distributing the products to well-known international and domestic restaurant chains. IPSB has obtained the BRC Packaging Certification (AA Level) for foodservice 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 across Asia such as Japan, Singapore, and Thailand. The Company plans to continuously expand its operations to other countries in ASEAN, Europe, Australia, and North America.



Pulp and Paper Products

Paper

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



Pulp

Products in our pulp product line consist of paper pulp and dissolving pulp. Paper pulp is made of eucalyptus pulp and is separated into three types: eucalyptus bleached kraft pulp, eucalyptus unbleached kraft pulp, and eucalyptus semi-chemical bleached pulp. Dissolving pulp, produced by Phoenix Pulp and Paper (PPPC) plant in Khon Kaen, is made from eucalyptus wood and is intended for use in the textile industry as rayon fiber. It is mainly sold to rayon fiber producers in China. The Company's R&D continues to research to improve the quality of dissolving pulp, starting from the cross-breeding stage for eucalyptus.

Plantation and Bio Solutions

SCGP offers comprehensive solutions for eucalyptus wood. Our solutions start from eucalyptus clone and site matching research and development, distribution of eucalyptus seedlings, plantation consultant, and eucalyptus wood procurement. The company also expands its own plantation as a sustainable wood source. Furthermore, SCGP expands its scope to include new businesses relating to woodchips export, biomass wood trading for clean energy generation, Khudin by SCGP organic/chemical fertilizer, soil conditioners, growing media, wood conversion products such as wood pallets and laminated wood panels, as well as further development of high-valued plants such as Cordyceps, Jiaogulan, other herbs.



Business Operations According to Geographical Area

In 2023, SCGP's business operations spanned across ASEAN and expanded to a group of potential countries outside the region. The Company has 65 production facilities in 10 countries : Thailand, Vietnam, Indonesia, the Philippines, Malaysia, the United Kingdom, Spain, the Netherlands, Italy and the United States. The Company's geographical presence strengthens our vertically integrated business model. It allows for more intra-group synergy among subsidiaries and increases our ability to access markets with growth potential in ASEAN, Europe, and North America.

The chart below shows the locations of the Company's production facilities and sales offices as of December 31, 2023.

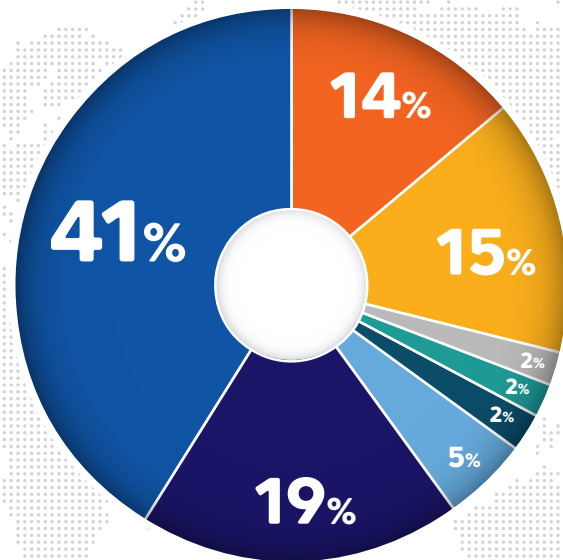




The majority of our customers are in ASEAN. For the year ending December 31, 2023, sales revenue from customers in Thailand accounted for 41% of total sales revenue, followed by Indonesia at 14%, Vietnam at 15%, and the Philippines at 2%, respectively. The Company’s revenue from sales was Baht 129,398 million.

The diagram below shows the Company’s revenue from sales for the year ending December 31, 2023, by end destinations.

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



Integrated Packaging Business :

Revenue from sales from customers in Thailand accounted for 54% of revenue from sales, followed by Indonesia at 21%, Vietnam at 20%, and the Philippines at 3%, respectively.

Fibrous Business :

Revenue from sales accounted for approximately 83% of the revenue from customers located in Thailand, followed by the United Kingdom at 8%, Vietnam at 5%, and Malaysia at 4%, respectively.

Industry Trends and Competitive Landscape

1) Industry Trends

Integrated Packaging Business Industry Trend

In 2023, Thailand's demand for corrugated containers increased by 1% compared to the previous year. Due to an increase in domestic consumption; the service sector, especially tourism, has seen improvements in recovery. On the other hand, exports showed a downward trend due to the lower demands, the higher inflation rate, and uncertainties in geopolitical landscape which affected international trading, especially in main export markets such as the US and Europe.

In the ASEAN market, demand for corrugated containers in Indonesia in 2023 fell 6% from last year as the high interest rate and inflations restricted domestic purchasing power, resulting in lower demands. Moreover, exports, especially durable goods and textile goods to European and US markets, also decreased.

Demand for corrugated containers in Vietnam decreased by 6% in 2023 because of slower exports, especially in durable goods. Demand was also affected by the downturn in the Vietnamese real-estate sector which suppressed consumers' purchasing power and the overall economy of the country.

Similarly, the demand of corrugated containers in the Philippines decreased by 18% compared to the previous year because the overall demand slowed down from the high interest rate as well as the decrease in domestic consumption and exports.

High geopolitical risks and the slower pace of economic growth are likely to continue for the time being, which could be both opportunities and challenges for SCGP.

Industry Trends for Fibrous Business

Foodservice Packaging

The demand for foodservice packaging in 2023 improved from 2022 in Europe and US because of the growth of the service sector, especially in the tourism and restaurant industry. At the same time, demand for environmentally friendly food containers continued to grow, especially from major fast-food chains, which require eco-friendly containers due to their policies.

Furthermore, consumer behavior has changed and caused the growth of online food orders, leading to an overall increase in the use of foodservice packaging.

Pulp

In 2023, the global demand for bleached chemical pulp increased by 3% from 2022. This demand was supported by the economic recovery in China after the country eased its lockdown measures early in the year, leading to an increased demand for pulp from paper and packaging manufacturers. At the same time, demand from manufacturers in Europe and the US still continued to decline due to economic situations.

Dissolving pulp demand increased from the previous year as demand of Chinese rayon fiber manufacturers recovered following the easing of COVID-19 restrictions.

Printing and Writing Paper

Demand for printing and writing paper in Thailand in 2023 dropped 3% overall, compared with the previous year. This is due to the adoption of electronic media in many businesses that ran in parallel with the new lifestyles and ways of how consumers work. This led to a decrease in printing and writing paper demand.

2) Competitive Landscape

Fiber Packaging and Packaging Paper

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

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

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

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

Owing to the differences in each market situation, SCGP can provide competitive prices for its paper production. SCGP also possesses advanced manufacturing and processing technology which enables the Company to save costs using greater efficiency; leading to healthier margins, larger pool of big brands compared to competitors, and a significant market share across ASEAN. As a result, in 2023, SCGP's export grew from 20% of the previous year to 23%.

Consumer and Performance Packaging (CPP)

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

The ASEAN market for CPP packaging, mostly made of polymer, is highly dispersed and relies on product pricing. There are many small and medium-sized enterprises within the country, so the industry is highly competitive. The Company has the advantage of supplying polymer packaging products to major regional brands, and it can expand its market and market share based on internal and external growth factors.

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

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

Product or Service Provisions

Production Plants and Production Capacity

SCGP has 65 production facilities located in Thailand, Vietnam, Indonesia, the Philippines, Malaysia, Spain, Italy, the United Kingdom, the Netherlands and the United States.

Products or Services	Production Capacity	
	Amount	Unit
1. Fiber Packaging	1,380,000	tons per year
2. Packaging Paper	4,600,000	tons per year
3. Flexible Packaging	1,006	million square meters per year
4. Rigid Packaging	143,000	tons per year
5. Foodservice Packaging	8,797	million pieces per year
6. Printing and Writing Paper	445,791	tons per year
7. Pulp	598,447	tons per year
8. Medical Supplies and Labware	850	million pieces per year
9. Packaging Materials Recycling	2,200,000	tons per year

Raw Materials

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

Raw Materials Used in Fiber-based Products

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

Recovered Paper (RCP)

RCP is the main source of recycled pulp used in packaging paper production. RCP, which often comprises used corrugated containers, is collected, sorted, compressed into bales, and then transported to a paper manufacturing plant. In 2023, the Company recycled approximately 3.6 MT of RCP, which accounted for approximately 97% of the pulp needed in packaging paper production. 55% of the RCP intake was sourced from our 86 region-wide recycling centers (23 in Thailand, 21 in Vietnam, 16 in Indonesia, and 26 in the Philippines) and locally within ASEAN. At the same time, the rest of our RCP needs were addressed through imports from qualified sources in the European Union, the United States, Japan, and Australia.

In addition, SCGP also directly sources RCP from our business partners. For example, in Thailand, under our partnership with the hypermarket chain, SCGP has been authorized to put our recycling center with baling machines at their distribution center, which generates considerable amounts of used corrugated containers. SCGP also collects RCP from corrugated containers plants.

Although RCP is a globally traded commodity, SCGP believes that having direct control of a significantly secured portion of RCP requirements is very important in our operations. Given the scale and years of experience running recycling centers, SCGP has established strong local networks in various locations and long-standing relationships with our RCP supplier. In addition, SCGP expanded its business to the international RCP

market by acquiring Peute Recycling B.V. (Peute) in the Netherlands and Jordan Trading Inc. (Jordan) in the USA, which secured important RCP sources for SCGP. This advantage minimizes the risks of global RCP price volatility and supply shocks, which can be caused by various external factors such as government regulations affecting waste paper import-export.

Starch

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

Virgin Pulp

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

Raw Materials Used in the Production of Consumer and Performance Packaging

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

Polymer Resin

The polymer resin is a key component of CPP products, constituting approximately 60-70% of total variable costs used in CPP product production. SCGP 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 various producers as the Company needs resins with different properties and characteristics. The Company also uses recycled resins upon customer request. Some of our rigid packaging customers request us to mix recycled resins to manufacture packaging products for them.

Polymer-based Film

The polymer-based film constitutes 5-15% of total variable costs that the Company uses in performance packaging. The Company produces some LLDPE films and sources the remaining polymer-based films 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 woodchips (later converted into pulp), chemicals, starch, and water.

Woodchips

SCGP sources all the woodchips and wood logs (which the Company later converts into woodchips) in Thailand. Sourcing woodchips begins with our own plantations and purchases from farmers in Thailand. SFT (Siam Forestry), the Company's subsidiary, is a full-service provider of eucalyptus wood that develops and produces eucalyptus trees in different areas throughout Thailand. SFT is the first wood plantation company in Thailand to support the paper manufacturing process with plantation areas certified by the Forest Stewardship Council (FSC™). It develops and produces seedlings in tissue culture and by cutting so that seedlings are of a stable variety and their growth is consistent. Our seedlings are high-yield. The Company distributes eucalyptus seedlings to third-party farmers throughout Thailand (the farmer network), especially those near our plants and wood collection centers, and offers integrated services to third-party farmers. With support from the Research and Development Department, the Company maintains continuous development of the eucalyptus species that is capable of growing in diverse climates and soil profiles. Typically, SCGP sources woodchips, approximately 42% of the total wood supply, from its plantations and contract farmer network throughout Thailand. It procures the rest from general farmers who have wood plantations all over Thailand.

Research and Development Policy

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

Its research and development focuses on developing new products, services, and improving quality and production steps to ensure that the Company can continuously offer high-quality packaging solutions; such as foodservice packaging, industrial packaging, medical supplies, and quality testing of laboratory products to standards. It also develops health products to address and deliver customers' unique and specific needs in differentiating the products. Likewise, the Company offers sustainable business operations for alternative energy and the environment. In 2023, the Company invested in developing innovations, industry, and opportunities to create new businesses with technologies in the amount of Baht 998 million, equivalent to 1% of total revenue. Its R&D Department under the Innovation and Product Development Center spent Baht 335 million on the technology platform. It can be separated into 11 categories to create products and services that match customers' demands.

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

Assets Used in Business Operations

Major Fixed Assets Used in Business Operations

As of December 31, 2023, the major fixed assets used in the Company's business operations and its subsidiaries are outlined in the following table. It consists of land and land improvements, buildings and structures, machinery and equipment, furniture, fixtures and office equipment, vehicles and equipment, construction in progress, and bearer plants.

Item	Carrying Amount (Baht million)	Ownership Type	Encumbrance
Land and land improvements	7,876	Ownership rights of possession (Nor Sor 3 Kor) and HGB Certificate ⁽¹⁾	No obligations
Buildings and structures	13,122	Owned	No obligations
Machinery and equipment	63,143	Owned	No obligations except some machinery and equipment ⁽²⁾
Furniture, fixtures and office equipment	429	Owned	No obligations
Vehicles and equipment	301	Owned	No obligations
Construction in progress	4,241	Owned	No obligations
Bearer plant	39	Owned	No obligations
Right-of-use assets	5,128	Leased	No obligations
Total	94,279		

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

⁽²⁾ The assets used as collateral for the loan are owned by a subsidiary, acquired in the fourth quarter of 2023. The company is currently in the process of releasing the mortgage.

Right-of-use assets

As of December 31, 2023, the right-of-use assets of the Company and its subsidiaries had a carrying amount of Baht 5,128 million. Details are given in the table below.

Item	Carrying Amount (Baht million)	Ownership Type
Land and land improvements	2,059	Leased
Buildings and structures	2,239	Leased
Machinery and equipment	119	Leased
Furniture, fixtures and office equipment	149	Leased
Vehicles and equipment	562	Leased

Intangible Assets

As of December 31, 2023, the intangible assets of the Company and its subsidiaries consist of the following :







Item	Carrying Amount (Baht million)	Ownership Type
Goodwill	29,374	Goodwill from business acquisition
Customer contracts and relationship	6,047	Intangible assets related to customers, such as customer lists, and purchase orders
Trademark, copyright and patent	3,078	Trademarks, technology licensing, and products design patents
Software licenses and others	926	Installation cost and the right to use computer software
Total	39,425	











Intellectual Property

Trademarks

As of December 31, 2023, SCGP owns and is licensed to use 141 trademark applications that are registered with the Ministry of Commerce in Thailand; with 112 of such trademarks being fully registered (including trademarks that are in the process of renewal). SCGP also owns and is licensed to use 105 trademark applications that are registered with foreign agencies, with 27 of such trademarks being fully registered. The Company has a policy to register and maintain brands in every country where the Company operates.

Important registered trademarks as of December 31, 2023, are as follows :

Applicant	Trademarks	Registration No.	Place of Registration	Type of Product/Service	Application Date	Patent Expiry Date	Note
SCGP		๑292127	Thailand	Copy paper	24 Mar 08	23 Mar 28	Trademark license agreement signed between SCGP and TPC
SCGP		๑318169	Thailand	Printing or writing paper, copy paper, and kraft paper	1 Apr 08	31 Mar 28	Trademark license agreement signed between SCGP and TPC
SCGP		๑295409	Thailand	Copy paper	12 Jun 08	11 Jun 28	Trademark license agreement signed between SCGP and TPC
SCGP		๑313073	Thailand	Copy paper, printing or writing paper, kraft paper, note paper	25 Dec 08	24 Dec 28	Trademark license agreement signed between SCGP and TPC
SCGP		๑321242	Thailand	Copy paper, printing or writing paper	11 Sep 09	10 Sep 29	Trademark license agreement signed between SCGP and TPC
SCGP		201120686	Thailand	1) Odor and gas olfactometer, displaying quantitative and qualitative results 2) Processing and displaying program for odor and gas olfactometry data 3) Data processing and displaying service for environmental testing and odor and gas olfactometry analysis 4) Olfactometry consultation service for odor and gas odor in the industrial plant production processes 5) Olfactometry consultation service for burning odor 6) Olfactometry consultation service for wastewater treatment systems 7) Olfactometry consultation service for garbage dumps 8) Olfactometry consultation service for agriculture farming 9) Olfactometry consultation service for livestock farming 10) Olfactometry consultation service for community environments 11) Olfactometry consultation service for establishment environments 12) Olfactometry consultation service for industrial estate environments	4 Jan 19	3 Jan 29	

Applicant	Trademarks	Registration No.	Place of Registration	Type of Product/Service	Application Date	Patent Expiry Date	Note
TPC		๑322098	Thailand	Copy paper, printing or writing paper	30 Jun 09	29 Jun 29	-
TPC		๑322099	Thailand	Copy paper, printing or writing paper	30 Jun 09	29 Jun 29	-
TPC		171104369	Thailand	Utensil, and plastic utensil	21 Jul 15	20 Jul 25	-
TPC		171105010	Thailand	Paper food and beverage container, packing paper container, packing plastic container, packing container, paper cone, plastic cone, paper bag, plastic bag, food wrapping paper, sticker, and paper cup sleeve	21 Jul 15	20 Jul 25	-
TPC		171129078	Thailand	Drinking glass, beverage cup, food plate, food bowl, food container, cup lid, food tray, food glass, paper plate, paper bowl, paper cup, saucer, food cup	21 Jul 15	20 Jul 25	-
TPC		๑269016	Thailand	Laminated and non-laminated paper	10 Nov 06	9 Nov 26	-
TPC		201109357	Thailand	Laminating agent and laminated paper	3 Dec 18	2 Dec 28	-
IVN		181103782	Thailand	Packaging for non-medicinal fruit or healthy vegetable diet, non-medicinal fruit or vegetable dietary supplement, non-medicinal herbal dietary supplement, non-medicinal animal/plant dietary supplement, non-medicinal animal/vegetable extract dietary supplement, and non-medicinal vegetable extract dietary supplement	1 Jun 16	31 May 26	-
TCG		๑357302	Thailand	Corrugated containers	23 May 11	22 May 31	-
TCG		191111905	Thailand	1) Paper bubble wrap 2) Paper box 3) Packaging paper box 4) Corrugated containers 5) Office glue 6) Postage paper label 7) Self-adhesive paper label 8) Stationary paper and envelope set 9) Packaging paper envelope 10) Envelope 11) Postage envelope	12 Dec 17	11 Dec 27	-

Note : Some trademarks are also registered in foreign countries.

Patents and Petty Patents

As of December 31, 2023, SCGP has been granted 82 patents and petty patents from the Ministry of Commerce in Thailand and 22 patents with foreign intellectual property offices, including 12 invention patents, 2 petty patents, and 8 product design patents. Also, 156 patents and petty patents are in the registration process for both Thailand and abroad.

Important patents and petty patents owned by SCGP and its subsidiaries as of December 31, 2023, are as follows :

Assignee	Patent No.	Date of Patent	Application Date	Expiry Date	Place of Registration	Invention Patent/ Petty Patent	Product Design Patent
SCGP	Petty Patent 11664	28 Jun 16	29 Oct 15	28 Oct 25	Thailand	Investigation method of macro sticky in paper pulp	-
SCGP	Petty Patent 12725	7 Jun 17	29 Oct 16	28 Oct 25	Thailand	Truck with multi-leveled carrying space	-
SCGP	Petty Patent 14843	21 Jan 19	29 Mar 17	28 Mar 27	Thailand	Soil covering material having structural layers	-
SCGP	78568	16 Sep 20	11 Feb 09	10 Feb 29	Thailand	Folding chair blanks and chairs assembled using the folding chair blanks	-
SCGP	87035	18 Mar 22	23 Apr 19	22 Apr 29	Thailand	-	Patterns on sheet material
SCGP	US11313082B1	26 Apr 22	19 Apr 17	18 Apr 37	USA	Sheet material comprising fiber and nano-microscale organic fibrillated filler and method of producing said sheet material	-
SCGP	IDP000083629	18 Oct 22	19 Apr 17	18 Apr 37	Indonesia	Sheet material comprising fiber and nano-microscale organic fibrillated filler and method of producing said sheet material	-
SCGP	CN110139959B	15 Nov 22	19 Apr 17	18 Apr 37	China	Sheet material comprising fiber and nano-microscale organic fibrillated filler and method of producing said sheet material	-
SCGP	90502	15 Dec 22	27 Dec 16	26 Dec 36	Thailand	Sheet material comprising fiber and nano-microscale organic fibrillated filler and method of producing said sheet material	-
SCGP	IDP000085515	7 Feb 23	27 Sep 19	26 Sep 39	Indonesia	Soil covering material having structural layers	-
SKIC	Petty Patent 10041	2 Jul 15	22 Aug 14	21 Aug 24	Thailand	Wireless transmission-type hygrometer	-
SKIC	Petty Patent 12351	24 Jan 17	12 Dec 14	11 Dec 24	Thailand	Portable scoring device	-
SKIC	19467	13 Jun 18	28 Mar 14	27 Mar 34	Vietnam	Sheets with organic filler	-
SKIC	Petty Patent 19736	19 May 22	30 Jul 21	29 Jul 31	Thailand	Double-threaded water ring	-
SKIC	Petty Patent 21180	17 Mar 23	23 Sep 21	22 Sep 31	Thailand	Roll surface defects detection system based on deep learning techniques	-
TCG	Petty Patent 11075	26 Jan 16	9 Mar 15	8 Mar 25	Thailand	Box with a creaser line and production thereof	-
TCG	53597	1 Feb 18	3 Nov 14	2 Nov 24	Thailand	-	Display

Assignee	Patent No.	Date of Patent	Application Date	Expiry Date	Place of Registration	Invention Patent/ Petty Patent	Product Design Patent
TCG	58761	3 Nov 18	3 Nov 14	2 Nov 24	Thailand	-	Display
TCG	66067	6 Nov 18	29 Oct 15	28 Oct 25	Thailand	-	Folding chair
TCG	66068	6 Nov 18	29 Oct 15	28 Oct 25	Thailand	-	Folding chair blank
TCG	66433	19 Nov 18	7 Dec 07	6 Dec 27	Thailand	Chair	-
TCG	69428	23 Apr 19	3 Mar 17	2 Mar 27	Thailand	-	Container
TCG	69429	23 Apr 19	3 Mar 17	2 Mar 27	Thailand	-	Container blank
TCG	70253	11 Jun 19	8 Jun 17	7 Jun 27	Thailand	-	Container
TCG	70254	11 Jun 19	8 Jun 17	7 Jun 27	Thailand	-	Container blank
TCG	70255	11 Jun 19	8 Jun 17	7 Jun 27	Thailand	-	Container
TCG	70256	11 Jun 19	8 Jun 17	7 Jun 27	Thailand	-	Container blank
TCG	71053	08 Aug 19	7 Jul 17	6 Jul 27	Thailand	-	Container blank
TCG	71054	08 Aug 19	7 Jul 17	6 Jul 27	Thailand	-	Container blank
TCG	72812	25 Nov 19	7 Dec 07	6 Dec 27	Thailand	Assembly chair	-
TCG	Petty Patent 15813	10 Jan 20	21 Dec 18	20 Dec 28	Thailand	Ventilated packaging	-
TCG	3-0032002-000	21 Dec 20	22 Jan 20	21 Jan 35	Vietnam	-	Folding chair blank
TCG	80797	25 Jan 21	21 Dec 18	20 Dec 28	Thailand	-	Container
TCG	80798	25 Jan 21	21 Dec 18	20 Dec 28	Thailand	-	Container blank
TCG	80799	25 Jan 21	21 Dec 18	20 Dec 28	Thailand	-	Container blank
TCG	Petty Patent 18343	8 Oct 21	15 Sep 20	14 Sep 30	Thailand	Stackable corrugated tray	-
TCG	3-0033501-000	23 Sep 21	22 Jan 20	21 Jan 35	Vietnam	-	Folding chair
TCG	Petty Patent 19320	18 Feb 22	26 Mar 21	25 Mar 31	Thailand	Multi-packed packaging	-
TCG	87243	29 Mar 22	23 Jun 20	22 Jun 30	Thailand	-	Folding chair
TCG	87637	21 Apr 22	19 Oct 18	18 Oct 28	Thailand	-	Corrugated packaging and paper quality testing device
TCG	Petty Patent 21033	2 Mar 23	6 Jul 21	5 Jul 31	Thailand	Sheet with locking mechanism	-
TCG	93555	11 May 23	23 Apr 21	22 Apr 31	Thailand	-	Folding chair
TCG	Petty Patent 22395	6 Sep 23	31 Jan 22	30 Jan 32	Thailand	Containers having reinforced walls	-
TCG	Petty Patent 22703	26 Oct 23	29 Nov 21	28 Nov 31	Thailand	Ventilated packaging	-
TPC	55526	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container
TPC	55527	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container blank
TPC	55528	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container blank
TPC	55529	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container blank
TPC	55530	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container blank
TPC	55531	20 Jun 17	22 Aug 14	21 Aug 24	Thailand	-	Container blank
TPC	Petty Patent 12796	23 Jun 17	9 Sep 16	8 Sep 26	Thailand	Food container	-
TPC	58757	3 Nov 17	17 Dec 15	16 Dec 25	Thailand	-	Container
TPC	58759	3 Nov 17	17 Dec 15	16 Dec 25	Thailand	-	Container blank
TPC	58758	3 Nov 17	17 Dec 15	16 Dec 25	Thailand	-	Container
TPC	58760	3 Nov 17	17 Dec 15	16 Dec 25	Thailand	-	Container blank

Assignee	Patent No.	Date of Patent	Application Date	Expiry Date	Place of Registration	Invention Patent/ Petty Patent	Product Design Patent
TPC	61702	30 Mar 18	29 Sep 15	28 Sep 25	Thailand	-	Container
TPC	61703	30 Mar 18	24 Nov 15	23 Nov 25	Thailand	-	Container
TPC	61704	30 Mar 18	24 Nov 15	23 Nov 25	Thailand	-	Container blank
TPC	61705	30 Mar 18	24 Nov 15	23 Nov 25	Thailand	-	Container blank
TPC	Petty Patent 13983	15 Jun 18	1 Feb 16	31 Jan 26	Thailand	Packaging with separated containers	-
TPC	63510	5 Jul 18	31 Mar 16	30 Mar 26	Thailand	-	Container
TPC	66313	13 Nov 18	4 Aug 17	3 Aug 27	Thailand	-	Lid
TPC	66314	13 Nov 18	29 Sep 15	28 Sep 25	Thailand	-	Container blank
TPC	Petty Patent 15101	17 Apr 19	4 Aug 17	3 Aug 27	Thailand	Food container set	-
TPC	71076	9 Aug 19	27 Jul 17	26 Jul 27	Thailand	-	Container
TPC	71077	9 Aug 19	27 Jul 17	26 Jul 27	Thailand	-	Container blank
TPC	72458	8 Nov 19	30 Nov 17	29 Nov 27	Thailand	-	Container with belt
TPC	72459	8 Nov 19	30 Nov 17	29 Nov 27	Thailand	-	Container with belt
TPC	72457	8 Nov 19	30 Nov 17	29 Nov 27	Thailand	-	Container with belt
TPC	73657	10 Jan 20	14 Dec 17	13 Dec 27	Thailand	-	Container
TPC	73658	10 Jan 20	14 Dec 17	13 Dec 27	Thailand	-	Container
TPC	73659	10 Jan 20	14 Dec 17	13 Dec 27	Thailand	-	Container
TPC	Petty Patent 17927	24 Jun 21	7 Dec 20	6 Dec 30	Thailand	Paper spoon	-
TPC	Petty Patent 17928	24 Jun 21	7 Dec 20	6 Dec 30	Thailand	Paper spoon	-
TPC	83266	25 Jun 21	4 Aug 17	3 Aug 27	Thailand	-	Container
TPC	Petty Patent 18748	25 Nov 21	28 Dec 20	27 Dec 30	Thailand	Food container	-
TPC	87034	18 Mar 22	22 Oct 19	21 Oct 29	Thailand	-	Container
TPC	Petty Patent JP3238766U	10 Aug 22	20 Jun 22	19 Jun 32	Japan	Paper plates for containing foods	-
TPC	D1729243	27 Oct 22	15 Jun 22	14 Jun 32	Japan	-	The plates for containing foods
TPC	Petty Patent 22837	27 Nov 23	9 Feb 22	8 Feb 32	Thailand	Paper plates for containing foods	-
TPC	Petty Patent CN218246676U	10 Jan 23	30 May 22	29 May 32	China	Paper plates for containing foods	-
TPC	CN307866870S	28 Feb 23	30 May 22	29 May 36	China	-	Plate
Vexcel Pack	PH3/2013/000811	14 May 14	5 Jul 13	4 Jul 28	Philippines	-	Screw cap for a jar
Vexcel Pack	USD723370s	3 mar 15	5 Jul 13	2 mar 29	USA	-	Screw cap for a jar
Vexcel Pack	Petty Patent 22336	28 Aug 23	7 Jul 21	6 Jul 31	Thailand	Methods of manufacturing multi-layered polymer composites with high oxygen barrier	-
Deltalab	ES2686829B1	30 Jul 19	22 Mar 17	22 Mar 37	Spain	Container comprising a security seal	-
Nirco	US9381514B2	5 Jul 16	2 Jul 13	1 Jul 33	USA	Test tube	-
Nirco	EP2870998B1	11 Dec 19	2 Jul 13	1 Jul 33	Ireland	Test tube	-
Nirco	ES2776176T3	13 May 15	2 Jul 13	1 Jul 33	Spain	Test tube	-
Nirco	ES2442491B1	13 Nov 14	4 Jul 12	3 Jul 32	Spain	Test tube	-
Nirco	001303630-0001	1 Dec 11	24 Nov 11	23 Nov 26	European Union	-	Sample processors

Assignee	Patent No.	Date of Patent	Application Date	Expiry Date	Place of Registration	Invention Patent/ Petty Patent	Product Design Patent
Nirco	001303630-0002	1 Dec 11	24 Nov 11	23 Nov 26	European Union	-	Sample processors
SFT	Petty Patent 22396	6 Sep 23	7 Mar 22	6 Mar 32	Thailand	Device for determining amount and diameter of wood in wood pile from image data by using deep learning and the method of the device thereof	-
SCGP and SCG Cement-Building Materials Co., Ltd.	Petty Patent 15003	12 Mar 19	29 Mar 17	28 Mar 27	Thailand	Binder with lime mud	-
SCGP and Asoke Skin Hospital Co., Ltd.	Petty Patent 16465	9 Jul 20	26 Jul 19	25 Jul 29	Thailand	Wound closure device	-
TPC and Nawa Intertech Co., Ltd.	Petty Patent 16520	22 Jul 20	16 Sep 19	15 Sep 29	Thailand	Folding apparatus for paper container forming machine	-
TPC and Nawa Intertech Co., Ltd.	Petty Patent 16521	22 Jul 20	16 Sep 19	15 Sep 29	Thailand	Paper container forming machine	-
SCGP and SCG Chemicals PCL.	EP3448561B1	2 Jun 21	2 Jun 21	28 Apr 37	Germany	Catalyst, its preparation, and use in the conversion of oxygen-containing compounds	-
SCGP and SCG Chemicals PCL.	EP3448561B1	2 Jun 21	2 Jun 21	28 Apr 37	Netherlands	Catalyst, its preparation, and use in the conversion of oxygen-containing compounds	-
SCGP and Asoke Skin Hospital Co., Ltd.	85634	3 Dec 21	26 Jul 19	25 Jul 29	Thailand	-	Wound closure device
SCGP and Asoke Skin Hospital Co., Ltd.	85635	3 Dec 21	26 Jul 19	25 Jul 29	Thailand	-	Wound closure device
SCGP and SKIC	95167	3 Aug 23	3 Sep 21	2 Sep 41	Thailand	Composition for construction materials and construction materials of said composition	-
SCGP and SCG Cement-Building Materials Co., Ltd.	92476	23 Mar 23	29 Oct 15	28 Oct 35	Thailand	Construction materials comprising modified celluloses	-
SCGP and SCG Cement-Building Materials Co., Ltd.	95573	31 Aug 23	29 Mar 17	28 Mar 37	Thailand	Process for treating wet lime mud additive and concrete composition comprised with the said treated wet lime mud	-

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

Business and Property Insurance Used in Business Operations

SCGP has an insurance policy that protects assets appropriately and aligns with industry practices. The Company's policy is to renew insurance policies upon expiration.

Investment Promotion Benefits

In 2023, SCGP has been entitled to incentives from 12 investment promotion certificates from Thailand's Board of Investment.

Shareholders

Company Shareholders

The company's shareholding structure as of December 31, 2023, is shown in the table below.

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	143,927,235	3.35
3. Ladawan Capital Company Limited	64,498,900	1.50
4. Social Security Office	50,376,586	1.17
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	45,832,727	1.07
6. THE BANK OF NEW YORK MELLON	41,712,601	0.97
7. STATE STREET EUROPE LIMITED	24,071,763	0.56
8. Mrs. Luksunee Hathaivittavas	16,700,000	0.39
9. Vayupak Fund 1 by MFC Asset Management Public Company Limited	15,876,829	0.37
9. Vayupak Fund 1 by Krung Thai Asset Management Public Company Limited	15,876,829	0.37
10. SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	7,013,000	0.16

Note : The total shares held by other minor shareholders are 771,151,070 equivalent to 17.97%. The 9th shareholder consists of 2 shareholders holding the same number of shares.

Shareholders of Subsidiaries Operating the Main Business

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

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

(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
Total	21,079,194	100.0

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

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

Note : (1) 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.

(2) 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 Tangwiriypaiboon	1	0.0
Total	34,500,000	100.0

(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
Total	2,477,888,787	100.0

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-

Authorized Capital and Paid-up Capital

As of December 31, 2023, the Company's registered capital is Baht 4,500,000,000 and the paid-up capital is Baht 4,292,920,200. There are 4,292,920,200 ordinary shares at a par value of Baht 1 per share.

Issuance of Other Securities

-None-

SCGP's Dividend Policy

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

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

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

Consolidated Financial Statements	Year 2023	Year 2022	Year 2021
Earnings per share (Baht)	1.22	1.35	1.93
Dividends per share (Baht)	0.55	0.60	0.65
Dividends payout ratio (%)	45.0	44.4	33.6

Dividend Policy for Subsidiaries

The dividend policy for subsidiaries must be considered and approved by the Board of Directors every year. The exception is for interim dividend payments, which the subsidiary's Board of Directors can authorize from time to time if the Board believes that the subsidiary has sufficient profits to do so under the country's legal framework in which the subsidiary company is located. In addition, the subsidiary's Board of Directors must report the decision at the next Shareholders' Meeting of the subsidiary. When considering the dividend payment, the subsidiary's Board of Directors

needs to consider various factors, mainly for the shareholders' benefit. These factors include operating results, financial structure and financial position, liquidity, additional investment needs, investment plans, business expansions, 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.

Investments in Subsidiaries and Associates

As at December 31, 2023, the Company has investments in 17 subsidiaries and associates directly held by the Company, with a total investment of Baht 49,765 million, recorded by the cost method. Details of the investments are presented in the notes of SGGP's financial statements for the year 2023 under contents of "Investments in subsidiaries" and "Investments in associates".

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 Capital (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (%)
Subsidiaries									
Fiber-Based Packaging									
1 Thai Containers Group Co., Ltd.	Fiber Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 5991	0 2586 4723	Ordinary Shares	3,344	33,440,000	23,407,999	70.00
2 Thai Containers Khonkaen Co., Ltd.	Fiber Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	150	150,000	-	70.00
3 Thai Containers Rayong Co., Ltd.	Fiber Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	650	650,000	-	70.00
4 Tawana Container Co., Ltd.	Fiber Packaging	599 Mu 4, Phatthana 1 Road, Phraeksa Sub-district, Mueang Samutprakarn District, Samutprakarn Province	0 2324 0781	0 2324 0079	Ordinary Shares	300	3,000,000	-	50.40
5 Orient Containers Co., Ltd.	Fiber Packaging	12/5, 12/8 Mu 8, Soi Liab Khlong Chonprathan Suan Som, Rama II Road, Ban Kho Sub-district, Mueang Samutsakorn District, Samutsakorn Province	0 3488 3422-4	0 3488 3421	Ordinary Shares	740	74,000,000	-	70.00
6 Dyna Packs Co., Ltd.	Fiber Packaging	297/2 Mu 2, Soi Wiroonrat, Sethakit 1 Road, Om Noi Sub-district, Krathum Baen District, Samutsakorn Province	0 2810 9346-7	0 2810 9103	Ordinary Shares	90	900,000	-	70.00
7 D-In Pack Co., Ltd.	Fiber Packaging	58/2 Mu 6, Phra Prathon-Ban Phaeo Road, Talad Jinda Sub-district, Sam Phran District, Nakhon Pathom Province	0 3498 1401-4	0 3498 1406-7	Ordinary Shares	50	5,000	-	70.00
8 New Asia Industries Co., Ltd.	Fiber Packaging	Lot B3, Road 2, Binh Chieu Industrial Park, Binh Chieu Ward, Thu Duc District, Ho Chi Minh City, Vietnam	(84) 83729 4160	(84) 83729 3028	**	345	-	-	70.00
9 Alcamax Packaging (Vietnam) Co., Ltd.	Fiber Packaging	No.7, Street 6, Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	(84) 0650 374 3031	(84)0650 378 2816	**	607	-	-	70.00
10 Packamex (Vietnam) Co., Ltd.	Fiber Packaging	Lot No. 20, Road B, Lin Trung EPZ, Thu Duc District, Ho Chi Minh City, Vietnam	(84) 83 729 1030	(84) 83 729 1031	**	220	-	-	70.00
11 AP Packaging (Hanoi) Co., Ltd.	Fiber Packaging	Lot 6 Nam Sach Industrial Zone, Nam Sach District, Hai Duong Province, Vietnam	(84) 0320 375 3862	(84) 0320 375 2868	**	248	-	-	70.00
12 Starprint Vietnam Joint Stock Company	Fiber Packaging	104/4-1, 2A Road, Amata Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	(84) 25 1393 6921	-	Ordinary Shares	89	6,146,880	-	70.00
13 PT Primacor Mandiri	Fiber Packaging	Jl. Raya Serang KM 13.8, Tristate Industrial Estate, Desa Sukadamai, Kecamatan Cikupa, Kabupaten Tangerang, Banten Province, Indonesia	(62) 21 596 2345	(62) 21 596 2000	Ordinary Shares	294	101,000	-	67.90
14 PT Indoris Printingdo	Fiber Packaging	Jl. Raya Serang KM 18.8, Sukanebaka 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
15 PT Indocorr Packaging Cikarang	Fiber Packaging	Jl. Industri Selatan 2 Block LL-3, Jababeka Industrial Estate Cikarang, Pasirsari Village, South Cikarang Sub-District, Bekasi Regency, Indonesia	(62) 21 893 6868	(62) 21 893 6565	Ordinary Shares	308	503,167	-	69.99
16 SGGP 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
17 Precision Print Co., Ltd.	Fiber Packaging	30/139 Mu 1, Sinsakhon Industrial Estate, Khok Kham Sub-district, Mueang Samutsakorn District, Samutsakorn Province	0 2105 4477	0 3445 2339	Ordinary Shares	33	3,340,000	-	100.00

Name	Principal Business/Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Capital (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/Indirect Holding* (%)
18 TCG Solutions Pte. Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	4,047	175,354,811	-	70.00
19 Bien Hoa Packaging Joint Stock Company	Fiber Packaging	Street 7, Bien Hoa Industrial Zone 1, An Binh, Ward Bien Hoa, Dong Nai Province, Vietnam	(84) 251 3836 121	(84) 251 3832 939	Ordinary Shares	165	12,832,437	-	65.88
20 PT Indonesia Dirajaya Aneka Industri Box	Fiber Packaging	Jl. Raya Roomo No. 425, Roomo Village, Manyar District, Gresik Regency, East Java, Indonesia	(62) 31 395 1910	(62) 31 395 1906	Ordinary Shares	207	8,950,000	-	52.50
21 PT Bahana Buana Box	Fiber Packaging	Jl. Raya Semarang-Demak, Desa Batu, RT 01 RW 03, Karangtengah Sub-district, Demak Regency, Indonesia	(62) 29 168 6234	(62) 29 169 0243	Ordinary Shares	71	3,050,000	-	52.50
22 PT Rapi-pack Asritama	Fiber Packaging	Kawasan Bekasi International Industrial Estate (BIIE) 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
Packaging Paper									
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 Mu 1, Saeng Xuto Road, Wangkanai Sub-district, Tha Muang District, Kanchanaburi Province	0 3461 5800	0 3461 5899	Ordinary Shares	3,583	358,253,721	351,791,210	98.20
26 United Pulp and Paper Co., Inc.	Packaging Paper	9 th Floor, Fort Legend Tower, 3 rd Avenue corner 31 st Street, Bonifacio Global City, Taguig City, Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	1,462	199,824,043	109,995,290	74.77
27 SCGP Solutions (Singapore) Pte. Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	31,227	1,327,017,506	141,744,290	100.00
28 PT Fajar Surya Wisesa Tbk.	Packaging Paper	Jl. Abdul Muis 30 Jakarta Pusat 10160, Indonesia	(62) 21 344 1316	(62) 21 345 7643	Ordinary Shares	2,713	2,477,888,787	-	55.24
29 PT Dayasa Aia Prima	Packaging Paper	Jl. Abdul Muis 30 Jakarta Pusat 10160, Indonesia	(62) 21 344 1316	(62) 21 345 7643	Ordinary Shares	4,574	2,012,159,500	-	55.24
30 SCG Paper Energy Co., Ltd.	Energy and Utilities	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	890	8,900,000	8,899,998	100.00
Consumer and Performance Packaging									
31 SCGP-T Plastics Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	386	3,859,000	1,968,124	51.00
32 Conimex Co., Ltd.	Rigid Packaging	40 Mu 12, Soi Sahamit 2, Sukhumvit 77 Road, Srisajorakhanoi Sub-district, Bang Sao Thong District, Samutprakam Province	0 2738 0305	0 2326 6275	Ordinary Shares	420	4,200,000	-	38.25
33 SCGP Rigid Plastics Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	4,403	62,400,000	62,399,998	100.00
34 Vexcel Pack Co., Ltd.	Rigid Packaging	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.	Holding Company	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.	Flexible Packaging	30/145 Mu 1, Khok Kham Sub-district, Mueang Samutsakorn District, Samutsakorn Province	0 3444 0600-5	0 3444 0606-7	Ordinary Shares	322	3,220,000	-	52.38
					Preference Shares	90	900,000	-	-

Name	Principal Business/ Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Capital (Baht: million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (%)
37 Tin Thanh Packing Joint Stock Company	Flexible Packaging	Lot C20, Duc Hoa Ha Plastic Industrial Group, Binh Tien Hamlet, Duc Hoa Ha Commune, Duc Hoa District, Long An Province, Vietnam	(84) 723 779 747	(84) 723 779 750	Ordinary Shares	254	17,204,201	-	52.49
38 Law Print & Packaging Management Limited	Flexible Packaging	4 Station View, Hazel Grove, Stockport, England, SK7 5ER	(44) 161 440 7302	(44) 161 440 7304	Ordinary Shares	0.0	106	-	100.00
39 Law Print & Packaging Management Limited	Flexible Packaging	No 46 St Mary's Road, Midleton, Cork P25 KX56, Ireland	(44) 161 440 7302	(44) 161 440 7304	Ordinary Shares	0.0	100	-	100.00
40 SCGP Rigid Packaging Solutions Pte. Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	8,900	361,202,920	361,202,920	100.00
41 Duy Tan Plastics Manufacturing Corporation Joint Stock Company	Rigid Packaging	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
42 Duy Tan Long An Co., Ltd.	Rigid Packaging	A18 Tan Do Hai Son Street, Tan Do Industrial Zone, Duc Hoa Ha Ward, Duc Hoa District, Long An, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	1,073	-	-	70.00
43 Duy Tan Precision Mold Co., Ltd.	Rigid Packaging	Lot 1, 1A street, Tan Tao Industrial Zone, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	186	-	-	70.00
44 Duy Tan Binh Duong Plastics Co., Ltd.	Rigid Packaging	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
45 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
46 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
47 Deltalab Global, S.L.	Holding Company	Plaza Verneda, 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
48 Deltalab, S.L.	Medical Supplies and Labware	Plaza Verneda, 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
49 Keylab, S.L.U.	Medical Supplies and Labware	Plaza Verneda, 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
50 Nirco, S.L.	Medical Supplies and Labware	Calle Puerto de Navafria, no. 12, 28935 Mostoles, Madrid, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	40	175,246	-	85.00
51 Envases Farmaceuticos, S.A.	Medical Supplies and Labware	Poligono Industrial Igarasa, 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
52 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
53 Sanilabo, S.L.U.	Medical Supplies and Labware	Calle San Roque 30, bajo B, 46910 Benetusser, Valencia, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	0.2	6,010	-	85.00
54 Bicappa Lab S.r.L.	Medical Supplies and Labware	Via Roma, 85/2, 10060 Roletto TO, Italy	(39) 01 2154 2775	(39) 01 2154 2913	**	0.4	-	-	72.25
Pulp and Paper Products									
55 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
					Preference Shares	98	9,806,380	6,857,036	-
56 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	771,000,000	-	69.58

Name	Principal Business/Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Capital (Baht/million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/Indirect Holding* (%)
57 Go-Pak UK Limited	Foodservice Packaging	Drumcoo House 1 Hawkesworth Road, Yate, Bristol, United Kingdom	(44) 1454 285400	(44) 1454 285401	Ordinary Shares	318	7,800,200	-	100.00
58 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
59 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
60 Phoenix Utilities Co., Ltd.	Utilities	99 Mu 3, Gud 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
61 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
62 The Siam Forestry Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Preference Shares	225	28,000,000	-	-
63 Siam Panawes Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	184	1,840,000	-	69.58
64 Suanpa Rungsaris Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3	25,000	-	69.58
65 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
66 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
67 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
68 Thai Panadorn Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
69 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
70 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
Recycling									
71 Peute Recycling B.V.	Holding Company	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	1	182	-	100.00
72 Peute Papierrecycling B.V.	Packaging Materials Recycling	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	1	40	-	100.00
73 Peute Recycling International B.V.	Holding Company	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	1	18,000	-	100.00
74 Peute Plasticrecycling B.V.	Packaging Materials Recycling	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	1	18,000	-	100.00

Name	Principal Business/ Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Capital (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (%)
75 Peute Investments B.V.	Holding Company	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	0.0	1	-	100.00
76 Infimiplast B.V.	Packaging Materials Recycling	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	0.0	1	-	100.00
77 Peute Portugal, Unipessoal Lda	Packaging Materials Recycling	Beloura Office Park, Edificio 7, 1º, 2710-444 Sintra, Portugal	(31) 85 007 9500	-	Ordinary Shares	2	1	-	100.00
78 Peute Recycling Spain S.L.	Packaging Materials Recycling	Calle San Juan 29, 1ºC, Arroyo de la miel, 29630, Malaga, Spain	(34) 952 567 009	-	Ordinary Shares	0.1	3,000	-	100.00
79 Peute UK Limited	Packaging Materials Recycling	Hill House, 1 Little New Street, London EC4A 3TR, United Kingdom	(31) 78 621 44 88	-	Ordinary Shares	1	25,000	-	100.00
80 SKIC International Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	112	1,120,000	1,119,998	100.00
81 Jordan Trading Inc.	Packaging Materials Recycling	65 Albany avenue, Kingston, New York, USA 12401	845-338-5379	-	Ordinary Shares	31	139	-	90.10
Others									
82 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
83 Invenique Co., Ltd.	Asset and Intellectual Property Management Service	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	207	2,067,000	2,066,998	100.00
84 United Industrial Energy Corporation	Holding Company	166 Salcedo St. Legaspi Village, Makati City, Mctro Manila, Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	0.2	-	-	74.77
Associates									
85 Siam Toppan Packaging Co., Ltd.	Fiber Packaging	543 Mu 4, Phraksa Sub-district, Mueang Samutprakarn District, Samutprakarn Province	0 2709 3110-7	0 2324 0336	Ordinary Shares	500	5,000,000	2,450,000	49.00
86 P&S Holdings Corporation	Holding Company	9 th Floor, Fort Legend Tower, 3 rd Avenue corner 31 st Street, Bonifacio Global City, Taguig City, Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	263	27,650,000	11,059,998	40.00
87 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
88 Sahagreen Forest Co., Ltd.	Energy and Utilities	88 Mu 6, Khui Ban Ong Sub-district, Phran Kratai District, Kamphaeng Phet Province	0 5585 8033	0 5585 8031	Ordinary Shares	190	19,000,000	-	17.40
89 ReUse SAS	Packaging Materials Recycling	10 Place du 8 mai 1945, 26600 TainOill'Hermitage, France	(33) 4 75 09 51 81	(33) 4 75 71 27 13	Ordinary Shares	4	10,000	-	45.00
90 Packworks Co., Ltd	Foodservice Packaging/ Pulp and Paper Products	1 Siam Cement Road, Bangsue, Bangkok	02 114 3638	-	Ordinary Shares	2	18,370	-	28.48

* Directly and indirectly holding through the Company and subsidiaries

** No issuance of share for the Limited Liability Company incorporated in Vietnam and Italy. The capital contribution is as stipulated in the Holding Company certificate of the invested company.





2

Risk Management



Risk Management

In 2023, a global economy is still hampered by various factors, including increases in policy rates announced by central banks of various countries, warfares, inflation, trade barriers, and political uncertainties. These factors lower consumers' purchasing power and export of products and packaging goods to key markets etc. the governments and regulatory authorities of many countries have also announced various environmental laws and regulations, such as the Carbon Border Adjustment Mechanism (CBAM), which starts from 1 October 2023 and targets the activities aluminum, and hydrogen industries. The enforcement in other industries, including chemicals, plastic and polymer, glass, ceramic, gypsum, and paper will be gradually realized. This mechanism will result in higher demand of environmentally friendly products and create opportunities for innovation that addresses such demand.

With all the aforementioned situations, SCGP has developed the awareness of, and has placed importance on, risk management. The Company strives to operate in compliance with sustainable development guidelines and goals under the framework of Environmental, Social and Governance (ESG). These efforts are aimed at driving organizational growth, achieving stable business expansions, securing financial status, and generating appropriate returns for shareholders. The Board of Directors has established the Risk Management Policy to ensure that an efficient and effective risk management system is put in place throughout the entire organization and that it is in line with international standards. The Board of Directors also approved the appointment of the Risk Management Committee with responsibility for the following : the determination of risk management structures and responsible persons; the consideration and approval of management strategies, frameworks, and processes for the strategic, operational and investment risks; reviewing the risk appetite statement and SCGP's risk profile; and the quarterly monitoring and reporting of organizational risk management performance to the

Audit Committee. To encourage and enable employees to implement the risk management framework in their daily tasks, the Risk Management Committee will also be responsible for promoting frequent sessions of risk management knowledge-sharing.

Risk Management Policy

SCGP has established risk management processes that conform to international standards and integrated these processes into our business operations. This allow the Company to appropriately identify risks and opportunities in a timely manner and mitigate risks to acceptable levels.

Simultaneously, the Company can explore opportunities that add value to the business to achieve organizational objectives, meet stakeholder expectations, support sustainable business practices, and follow the principles of good corporate governance. The Company's Risk Management Policy can be found on the Company's website (www.SCGPackaging.com).

Risk Management Framework

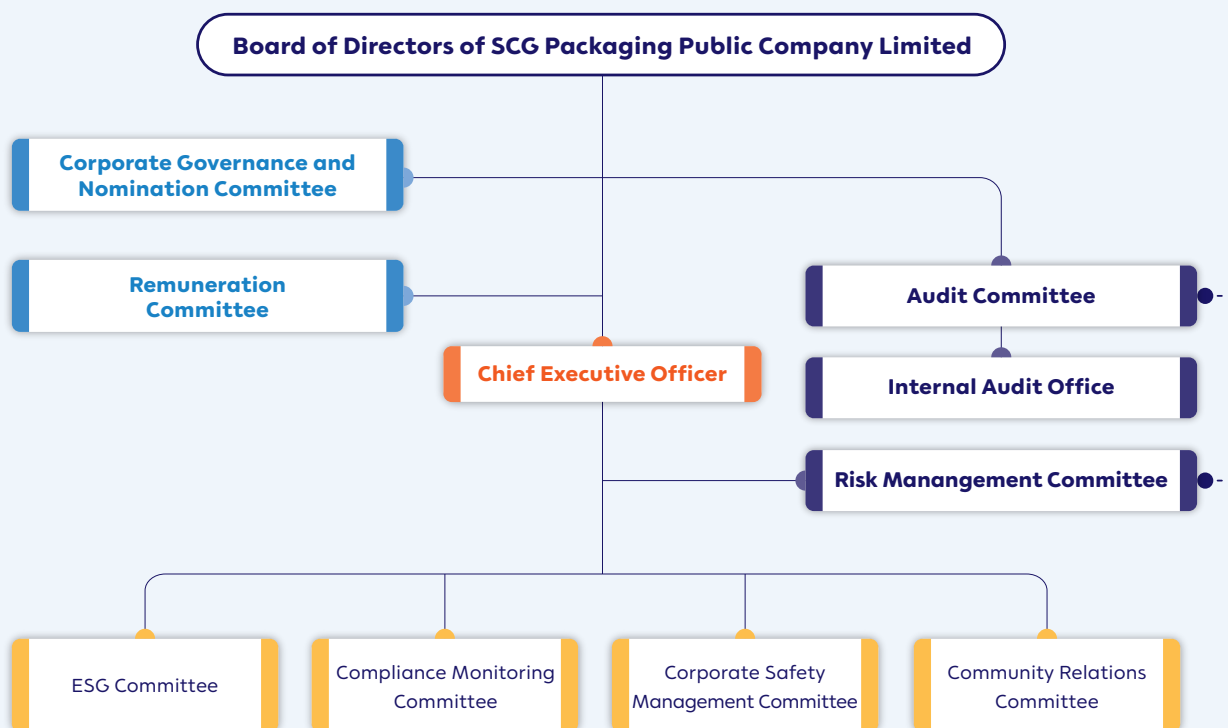
SCGP has implemented the Enterprise Risk Management Framework in alignment with the COSO ERM Framework and ISO 31000 to effectively reduce the likelihood and/or the impact of risks that may arise. The Company's risk management framework encompasses the areas below.

1. Strategy and Objective Setting

To ensure that risk management is moving in the same direction throughout the firm, SCGP explicitly outlines its objectives and risk appetite. The outlining is done by considering immediate risks, intermediate risks, strategic risks, investment risks, and specific risks such as information technology risks.

2. Risk Management Governance and Structure

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



2.1 Corporate-level Risk Management

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

The Audit Committee acts as the representative of the Company's Board of Directors in setting policies and overseeing risk management at SCGP. Its responsibilities include examining the company to ensure it has risk management processes, operational procedures, controls, work practice supervision, information technology, data security, and effective communication network systems that comply with international standards. It also monitors risk management outcomes, including environmental, social and (ESG) framework, as well as assessing risk management performance from the risk management team, and report on risk management have been regularly presented to the Board of Directors.

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, as well as management levels, risk management, compliance, and other supporting functions. This is to ensure effective implementation of

appropriate risk management. The Internal Audit Office also reports the outcomes to the Audit Committee, provides consultations, and communicates the Audit Committee's opinions to the first line and other functions that are being audited for improvement.

Roles and Responsibilities of the SCGP Risk Management Committee

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

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

2.2 Business-level Risk Management and Operational-level Risk Management

Roles and Responsibilities of Risk Champion in each Business Group and Corporate Function and Risk Coordinators in Operational Units/Companies Risk champion and risk coordinators are responsible for implementing the organizational risk management policies, processes, and frameworks at the business and operational levels while complying with risk management procedures. They will also utilize various tools for a wide range of tasks to achieve business-level goals and objectives. For example, the Risk Assessment System (RAS) is used for assessment topics identification and risk monitoring while the Enterprise Dashboard and the Performance Management System (PMS) are used for performance monitoring. Furthermore, risk management plan has been proposed to the Board of Directors as part of the Company's Medium Term Plan process.

3. Risk Management Process

SCGP integrates the Risk Management Framework into critical operations of strategic, operational, and investment functions. The risk management process can be found in the Risk Management Manual, which following steps :

- (1) Identify business risks/opportunities by considering existing risks and emerging risks.
- (2) Assess the severity of risks by measuring their likelihood and impact with Risk Map and prioritize risks to be managed.
- (3) Establish risk responses, key risk indicators, and key performance indicators – both leading and lagging – to anticipate and mitigate risks in accordance with the risk management goals. Report the performance of risk mitigation to the Risk Management Committee and then to the Audit Committee on a quarterly basis by considering immediate risks, intermediate risks, and risks related to current environment such as IT Risks.

4. Cultivation of Organizational Culture in Risk Management

SCGP realizes that a corporate culture is an essential enabler for the success of risk management. Therefore, an 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 roles and responsibilities of risk owners.
- Embedding risk management agendas in key meetings of each subsidiary.
- Encouraging experience sharing across departments and subsidiaries to continually communicate the benefits of risk management.
- Assigning Risk Champions from business-level functions and Risk Coordinators from operational functions to regularly attend risk management training and workshops so that risk management tools can be applied appropriately.
- Incorporating risk management into the new hire training course and developing annual e-Learning courses for all employees to access and complete.

5. Risk Factors and Risk Management

SCGP identified and assessed the material risks in 2023 according to the risk management frameworks. The risks covered include Strategic Risk, Operational Risk, Environmental and Social Risk, Governance and Compliance Risk, Reputation and Intellectual Property Risk, Hazard Risk, Input Risk, Process Risk, Financial Risk and Business Risk which may impact organizational goals and strategies, as well as risks posed to the investment of shareholders. SCGP has established a risk management plan of which its performance is as stated below.

1. Strategic Risks

Global Packaging Demand Softness Risks



Severity : **High**

In 2023, the pace of global economic recovery has been hampered by various factors, such as the increase of policy rates, inflation in major economic zones, and the recession of China's real estate industry, etc. These factors also resulted in a crawling increase of demand on packaging products and services in some countries. SCGP has closely monitored the relevant risks and performed the following risk management efforts :

- Established export plans for new potential markets with growing demand in packaging, released new products to expand its customer base, and equipped new distribution channels.
- Increased the use of materials from the Group's pulp and paper packaging business and packaging paper business.
- Planned and managed the inventories of Raw materials, Work in process and Finished goods for delivery to ensure the appropriate volume, fulfill demand, and effectively control cost.

M&P Integration Risks



Severity : **Medium**

SCGP aspires to achieve sustainable growth through domestic and overseas mergers and partnerships. The success of this strategy depends on the Company's ability to selectively identify target businesses, execute, and integrate with the businesses that the Company has acquired. There are various risks involved in these processes, including risks in assessing the value, strengths, and weaknesses of potential acquisitions; risks in verifying information prior to acquisitions; risks in integrating and managing newly acquired businesses, which also include risks associated with integrating SCGP's employees with the employees of acquired businesses that could arise from the differences in cultural perspectives and language; and political or regulatory risks in some countries. These risks could result in the Company's inability to achieve full benefits within the expected time frame. SCGP was aware of these risks and placed importance on the management of such risks with the following efforts :

- Implemented the Pre & Post Merger Integration Framework (PPMI), which is a clear screening and merging process aligned with the best practices. This includes enterprise valuation, synergy value creation, good corporate governance, and cultural integration.
- Appointed teams of advisory from legal, accounting, and financial functions to assess risks associated with an acquisition, such as the appropriate range of enterprise value, market value, and business model; to evaluate its competitiveness; and to provide risk mitigation measures.
- Presented the integration plans to executives and established a procedure to follow up.

Talent Development for Expansion Risks



Severity : **Low**

SCGP has expanded its businesses into new markets and various countries. To support this growth and transition, the demand for skillful talents has increased, resulting in the risk of workforce readiness. To prepare for and mitigate these risk impacts, SCGP has committed to the following tasks :

- Determined critical competencies, including leadership and functional competencies, that are required for business operations. Offered employees continuous opportunities to reskill and upskill, especially in capabilities required for future solutions. Including turn the efforts into the tools for competency, development, and career planning assessments in order to enable business growth and increase competitiveness.
- Annually assessed talents and developed them by encouraging the establishment and implementation of self-development plans and learning programs that strengthen their competencies. Examples of learning programs include learning sessions, a mentoring system, project assignments, etc.
- Established learning and development programs, succession planning, and career development plans. Offered blended learning sessions (70 20 10 model) in order to equip employees with knowledge and skills required for the achievement of tasks and enable them to adapt to current and future changes of business.

Risks from Environmental Pollution and Transition to Circular Economy



Severity : **Medium**

Recently, manufacturers of consumer goods increasingly favor packaging with recycled materials and recyclable packaging. Governmental sectors of various countries have also enforced stricter waste management measures. If SCGP does not develop recyclable products or products with recycled materials, it may face a decrease in demands and the impact of non-compliance. For this reason, SCGP has committed to the following efforts to prevent adverse impacts on its business:

- Developed a multitude of innovative products and solutions that minimize resource consumption. Promoted recyclability under the principles of Circular Economy. For example, developing mono-material flexible packaging that is easy to recycle. The Company also developed rigid packaging with recycled components.

2. Operational Risks

Health and Safety Risks



Severity : **High**

SCGP's operations involve manufacturing, service providing, and delivery processes. During such operations, employees may be exposed to hazards that affect their health and safety. SCGP has managed such risks with the following activities :

- Complied with SCG Safety Framework and performed annual self-declaration.
- Encouraged employees and contractors with safety behaviors that complies with the Bradley Curve Model. The interdependent stage of behavior, in which employees can manage their teammates to work safely, is required to be achieved in 2024.
- Established risk identification and assessment processes and the measures for systematic risk mitigation and control. Set health and safety goals and the key activities required to achieve these goals.
- Managed the safety of contractors with directions and plans established by the Contractor Safety Management Committee. These directions and plans cover the processes of contractor selection, work control, and performance assessment, thus improving and supporting the safety operations of contractors.
- Managed transport safety and vehicle use to ensure the highest level of safety for all company transportation by establishing a working group. Developed the skills and safety awareness of drivers.

Cyber Security Risks



Severity : **Medium**

SCGP utilizes information technology in its business operations, including the manufacturing process, product delivery, inventory management, sale and e-commerce processes, quality control, customer relations, and processes for financial system insurance. These processes require a connection with external networks. As a result, SCGP is posed with various cybersecurity risks such as malware, unauthorized access, and other attacks that may cause information leaks/losses or the discontinuity of operations. SCGP has been aware of and has placed importance on information system safety risk management by carrying out the following efforts :

- Complied with SCGP e-Policy and established work procedures in line with the ISO27001 standards. Established the Security Operation Center (SOC) in the forms of on-premise SOC and on-cloud SOC.
- Installed additional cybersecurity tools such as vulnerability scans, the Privileged Access Management (PAM), network access controls, and the security of the Industrial Control System (ICS).
- Established the Cyber Incident Response Plan to prevent discontinuity of business caused by cyber-attacks. Arranged annual drills for this response plan and the Disaster Discovery Plan (DRP).

Risks from Cost Management in Supply Chains

Severity : **Medium**



SCGP's manufacturing processes require huge amounts of energy and power. The main energy and power costs of SCGP come from coal and biomass fuels. Other key raw materials include recovered paper for packaging paper production and resin for polymer packaging production. A workforce is also required for the manufacturing process. In 2023, energy and power prices in the global market fluctuated due to various factors such as warfare, resulting in fluctuating costs of recovered paper and resin materials. Furthermore, the potential announcement of a minimum wage increase policy has posed SCGP with the risk of an increase in production costs. To mitigate the aforementioned risks, here are the actions that SCGP has taken :

- Appointed the Coal Collaborative Committee to procure coal through the central agency and performed the procurement through pooled sourcing in order to achieve effective cost management.
- Increased the portion of self-generated power consumption and decreased power purchases from external providers and coal consumption by installing solar panels in the plants. Additionally, enhanced the use of alternative energy sources, such as biomass energy from woodchips or bark.
- Closely monitored the costs of recovered paper and resin in order to appropriately implement procurement and inventory management strategies in line with the current market environment and material costs. Imported materials from various sources such as the US, EU, Japan, and Australia.
- Entered the international packaging recycling market through the acquisition of Peute Recycling B.V., the Netherlands company, and Jordan Trading Inc., the US company. This action is to strengthen the Company's capabilities in recycled paper material management in the aspects of quantity and quality. Moreover, 86 centers for recycled materials management were established throughout the ASEAN region in order to increase the ability to retain recovered paper directly procured from partners.
- Considered investing in an automation system that will be installed in paper pulp packaging plants to reduce the dependence on a human workforce in manufacturing processes.

Risks from Flood and Drought

Severity : **Low**



Climate change has become more and more extreme, resulting in more frequent floods and drought in all areas around the world. As SCGP has many plants in Thailand and overseas, the Company may encounter these events. Furthermore, as SCGP's manufacturing processes rely on water bodies, drought events may interrupt operations and delay deliveries to clients. To mitigate these risks, SCGP has performed the following actions :

- Monitored water status and related risks in areas where SCGP's plants are located in order to establish preventive and mitigation measures in a timely manner. To enable these tasks, the Early Warning System (EWS) was utilized. It is a system connected to primary sources of information, such as the Royal Irrigation Department and the Meteorological Department.
- The business unit management team and the local management team monitored and managed the situation in high-risk areas and complied with the business continuity plan. As a result, SCGP was able to effectively manage the circumstances, mitigate the impact of these risks on the manufacturing process, and deliver products without any interruptions.
- Conducted a flood drill to prepare for flood events, which may impact manufacturing processes, obstruct materials and material transportation routes, to ensure business continuity when a crisis occurs.
- Reduced water dependency by enhancing the efficiency of water consumption in manufacturing processes and improved water treatment processes to enable the use of treated water. These efforts lowered the consumption of water, supplied by an external provider, to 29% in 2023 compared with the base year 2014.

Human Rights Risks



Severity : **Medium**

SCGP operates its business in many countries, each with their own sets of labor and human rights laws. There are risks when contractors do not comply with all personnel policies and practices in accordance with relevant laws. Moreover, SCGP's operations in various areas may affect the rights of communities, vulnerable groups, or other stakeholders. SCGP has managed these risks with the following actions :

- Announced the Human Rights, Diversity and Inclusion policy, which is aligned with United Nations Global Covenant (UNGC), International Standards, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and international requirements. Deployed the policy into actual operations through the SCGP ESG Committee.
- Implemented a comprehensive Human Rights Due Diligence process and assessed human rights risks, encompassing operational risks and supply chain risks, in order to establish a mitigation plan.
- Organized Ethic e-Testing for all Thai employees to test their knowledge and understanding of the various ethics and human rights aspects, including human rights and labor, environment, health and safety, anti-corruption, trade competition, and anti-money laundering. The test's objective is to raise the awareness of these issues in employees to prevent potential violations. All employees are required to pass the test by scoring 100%.

Risks of Climate Change Posed by Greenhouse Gas Emission



Severity : **Medium**

All operations and activities of SCGP emit greenhouse gases and may contribute to climate change. However, customers of today are more interested in environmentally friendly products. In addition, governmental sectors of many countries had announced laws and regulations on climate change control, such as the Carbon Border Adjustment Mechanism (CBAM). These regulations affect the operations of businesses, industries, and the packaging demands of our clients. For this reason, SCGP has prepared for such situations with the following actions :

- Closely researched the demands of target industries for packaging products and aligned them with the government's control laws and regulations. Offered products and services in the form of integrated packaging solutions wherein the design and production of packaging require less resources and are environmentally friendly, allowing clients to properly manage their costs.
- Improved efficiency, changed work processes and equipment, increased biomass fuel consumption, and expanded the Solar Roof project in order to reduce greenhouse gas emissions.
- Frequently monitored and assessed potential risks to the business. Formulated preventive measures under the authority of the Risk Management Committee, the Working Group of Climate Change and Energy Management, and the Chief Executive Officer. Adapted information disclosure in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) guideline.
- Adopted Natural Climate Solutions (NCS) by growing and preserving forests for carbon dioxide absorption and storage by growing trees in and around the plant areas in various provinces as part of a nature restoration and preservation project.

3. Financial Risks

Interest Rate Risks



Severity : **Medium**

SCGP's financial performance could be affected by interest rate fluctuations. As of December 31, 2023, the Company's floating interest rate debt ratio was approximately 37% of all interest-bearing debt, excluding financial leases. If the market interest rate changes, it may affect the Company's profit and cash flow. That is, rising interest rates may increase financing costs related to the Company's debts. Here are the risk management efforts performed by SCGP :

- Managed the portion between floating and fixed interest rate debts to ensure that it is at an appropriate level. Offered debentures to investors and got fixed-rate term loans issued by commercial banks. Made an agreement of interest rate swap with overseas commercial banks.

Exchange Rate Risks



Severity : **Low**

SCGP operates, carries out strategic investments, and acquires businesses in many countries. It also imports machinery, equipment, technology, and materials, as well as trades its products through foreign currencies. For this reason, some of the Company's expenses, incomes, and loans are in foreign currencies. This poses SCGP with exchange rate risks caused by severe fluctuations. Here are the risk management efforts performed by SCGP :

- Entered a forward exchange contract to prevent risks posed by foreign currency financial assets or debts. Also, a cross-currency swap contract was made with overseas banks.
- Managed exchange rates by using the same currencies for income and expenses.

4. Compliance Risks

Risks from Licenses and Intellectual Properties Expiration



Severity : **Low**

SCGP operates at all levels of the packaging business, from sourcing raw material to upstream and downstream production, with a number of plants located in various countries. Consequently, it has to comply with laws and regulations of the countries it operates in, posing SCGP with the risk of expired licenses and non-compliance with intellectual property laws and regulations. Additional efforts for risk management are as follows :

- Appointed compliance management representatives to be responsible for monitoring related laws, regulations, and expiring licenses. They are also responsible for communicating this information to the responsible persons to complete license renewal actions.
- Developed the compliance and license management system. It is used as a tool for retaining and monitoring compliance information. It is also used to report the results to the Compliance Monitor Committee and the ESG Committee respectively.

5. Emerging Risks

Risks from Global Economic Slowdown from Tightened Monetary Policies



Severity : **High**

In 2023, the central banks of many countries, including those with huge economic sizes like the US and EU, frequently announced the increase of policy rates. Additionally, there is the potential that policy rates will remain at a high level in 2024, leading to a decrease of consumption and investment loan approvals. A business recession may occur due to an inability to acquire loans or pay high interest rates. Consumers may have lower purchasing power since they will have to bear the cost of higher interest rates. The employment rate of new employees and household purchasing power may decrease. The impacts on the economy of Thailand and ASEAN may also be observed, especially for the export manufacturing sector since the key target countries will suffer from these economic challenges. SCGP has closely monitored the economic environment and has managed the risks with the following efforts :

- Planned exports to other markets that are less impacted and looked for new export markets with packaging demand.
- Monitored the situation, assessed interest rate risks, and estimated the impacts on operating profits to achieve an appropriate balance between floating and fixed interest rate debts.

Risks from Geopolitical Conflicts



Severity : **Medium**

In 2023, international conflicts resulting in economic uncertainty and asset insecurity, such as conflicts on trade and warfare, could be observed in various regions around the world. These risks also caused fluctuations in various markets, such as changes in the prices of energy and materials and the recession of investment activities. SCGP has become aware of such risks and performed the following management efforts :

- Frequently monitored the situation and assessed business risks to adjust procurement strategies and manage inventory according to market circumstances and material prices. Materials were also procured from diverse sources.
- Adjusted the proportion of self-generated power consumption and reduced the consumption of power supplied by external providers and coal.

6. Investment Risks Associated with Investment of the Shareholders

Risks from the Shareholding Proportion of the Major Shareholder of More Than 50%



Severity : **Medium**

SCC is the major direct and indirect shareholder of the Company, with a shareholding proportion of not less than 70% of the issued shares. The interests of SCC may conflict with those of other shareholders as it can nominate candidates for most positions in the Board and exploit the majority vote in the appointment of executives responsible for the Company's management and administration. SCC can also pass the majority vote in the general and extraordinary shareholder meetings. Moreover, it can prohibit or encourage the change of internal control authorities.

However, SCGP has placed importance on compliance with all relevant regulations, corporate governance, sustainable business practices, and fair treatment to all shareholders. The following are the efforts achieved :

- The Board of Directors has put in force a policy to prevent any conflicts of interest. The Company has established guidelines, prohibitions, and various considerations for directors, executives, and employees to understand how they should implement the policy.
- The Board of Directors consists of 12 directors, including 8 independent directors (66.6% of total directors) and 11 directors who are not included in the Management Committee (more than 90% of total directors). Furthermore, SCGP has stipulated the qualifications of an independent director with regard to shareholding : an independent director of a company must hold shares in the Company not exceeding 0.5% of the total number of shares with voting rights of the Company, a parent company, a subsidiary, an associated company, a major shareholder, or a controlling person, in order to prevent any impact on his/her independent judgment.

7. Risks from Investment in Foreign Securities (In the Case the Issuer is Foreign Agency)

-N/A-





3

**Driving Sustainability
in Business**



Driving Sustainability in Business

Sustainability Management Policy and Goals

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

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

The Company has set sustainability goals and guidelines in 2023 that follow the United Nations Sustainable Development Goals (SDGs). The 15 goals set are listed below :



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.



Affordable and Clean Energy :

Ensure access to affordable, reliable, sustainable and modern energy 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.



Reduce Inequality :

Reduce inequality within and among countries.



Sustainable Cities and Communities :

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



Responsible Consumption and Production :

Develop 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. Ensure sustainable forest management. Stop the expansion of the desert. Freeze and reverse the process of soil degradation. End the loss of biodiversity.



Peace, Justice and Strong Institutions :

Promote peaceful, equitable and inclusive societies for sustainable development. Generate a justice process that is accessible to everyone. Create effective, verifiable and open institutions at all levels.



Partnerships for the Goals :

Maximize the operation and reinforce the global partnership for sustainable development.

SCGP's Goals and strategies for sustainable development in 2023 are as follows.

	Goals	Strategies
Environmental Guidelines	Energy Management and Climate Resilience  <ul style="list-style-type: none"> Reduce 25% of greenhouse gas emissions by 2030 compared with the base year of 2020. Reduce 13% of energy consumption by 2025 compared with Business as Usual (BAU) for the base year of 2007. Achieve net zero emissions by 2050. 	<ul style="list-style-type: none"> Increase energy efficiency by utilizing the best available technology. Increase the use of renewable energy, such as biomass energy, solar energy, etc. Study Carbon Capture, Utilization, and Storage (CCUS) technologies. Promote climate actions through natural mechanisms, such as forest conservation and ecosystem restoration, by using internal carbon pricing (ICP) to support low-carbon projects, reduce greenhouse gas emissions as per the established goal, and eventually, introduce low-carbon products.
	Air and Odor Pollution Management  Air Pollution Management <ul style="list-style-type: none"> Reduce air pollution per product by 5% by 2025. Reduce air pollution per product by 10% by 2030. <p>*Compared with the base year of 2020.</p> Odor Pollution Management No official odor complaints.	<ul style="list-style-type: none"> Set the air pollution emission target following the international guideline for the same business in compliance with the laws. Apply the best available air pollution management technology by controlling both pollution sources and emissions while continuously monitoring air quality. Encourage regular participation from communities and stakeholders in managing air pollution.
	Water Management  Reduce water withdrawal by 35% by 2025 compared with Business as Usual (BAU) for the base year of 2014.	<ul style="list-style-type: none"> Reduce water-related risks, improve efficiency with integrated water management, and build the capabilities of persons who are involved in water management to secure the most efficient body of knowledge and water management. Treat effluents to meet quality standards, monitor their quantity and quality, report on arising issues, perform incident investigation, and take corrective actions to reduce effluents. Rehabilitate water sources' ecosystems and supply water to communities and agriculture.
	Industrial Waste Management  <ul style="list-style-type: none"> Ensure zero waste from the production process sent to landfill (in Thailand). Reduce 100% of waste disposed through incineration without energy recovery by 2025, compared with the base year of 2014 (in Thailand). 	<ul style="list-style-type: none"> Strive to reduce and eliminate waste generation at the source and set the indicators for continuous assessment. Manage industrial waste within SCG and SCGP, both hazardous waste and non-hazardous waste, in line with 3R and circular economy principles, with optimal efficiency through measures or standards issued by the government or world-class organizations, to go beyond compliance. Research and develop innovations to reuse and recycle raw materials and waste or to turn waste into value-added products and extend their shelf life, preserve the core value of materials as much as possible, and promote use of biomaterials or recyclable materials.
	Forests and Biodiversity  At least 10% of agroforestry area obtaining biodiversity and ecosystems in compliance with FSC™ standards.	<ul style="list-style-type: none"> Achieve sustainable biodiversity management using international indicators and serve as a role model for biodiversity conservation in other areas. Engage with communities and stakeholders to enhance knowledge and understanding of biodiversity conservation. Manage the use of community forest areas by participation according to the community forest principle.
	Social Guidelines	Health and Safety  <ul style="list-style-type: none"> 0 case of work-related fatality of employees and contractors every year. Occupational illness and disease frequency rate of 0 case per 1,000,000 working hours every year. Lost time injury frequency rate of 0 case per 1,000,000 working hours in 2023 for employees and contractors (in Thailand).
Human Rights  <ul style="list-style-type: none"> 0 case of human rights violation. 100% of employees to pass the Ethics e-Testing, a test on ethics and human rights. The proportion of management-level female employees increased to 24% by 2025. 		<ul style="list-style-type: none"> Integrate human rights activities, diversity management, and inclusion into business operations throughout the domestic and international value chains. Create value, develop, and extend participative programs that uphold the principles of respect for human rights to all stakeholder groups throughout the value chains and society as a whole. Be a role model, and share and exchange experiences on human rights with other organizations.



Social Guidelines

Goals



Strategies

Employee Care and Development



- Total employee engagement score in Thailand and aboard exceeding 4.20 out of 5.00.
- 100% of employees in Thailand receive competency assessment and individual development planning in the Learning Management System (LMS) annually.

- Create corporate values to attract talented and competent prospective employees.
- Apply employee care thoroughly and fairly to create engagement.
- Cultivate a learning culture by providing the Learning Management System (LMS) and expanding opportunities for employees to improve themselves according to their personal interests, and with learning methods best suited for each individual in order to build competitive skills, happiness at work, and efficient teamwork.

Community and Social Development



- Community satisfaction is at 90%.
- The model community in Banpong, Ratchaburi will be expanded to 183 communities by 2030.
- SCGP Open House allows the community to visit factories 12 times per year with 1,000 participants per year.

- Utilize both internal and external specialization to support the society.
- Encourage participation from employees and relevant stakeholders in all sectors to create sustainable value for society.
- Develop innovations that respond to the needs of communities and solve social issues, including the development of a community model, and expand the model's achievements to other community networks.

Product, Service and Solution Stewardship



- Sale revenue from SCG Green Choice products, services, and solutions is 66.7% of the total sales revenue by 2030.
- Sale revenue from SCG Green Choice products, services, and solutions that provide direct benefits to customers is 33.3% of the total sales revenue by 2030.
- All subsidiaries in SCGP shall fully (100%) follow the requirements of the REACH Regulation (Annex XVII and Substances of Very High Concern (SVHC) for Authorization).
- No complaint regarding non-compliance with the law and product safety.

- Foster an innovative approach to the development of products, services, and solutions that fulfill consumers' needs and enhance consumers' well-being by taking into account the impact of climate change, environment, and hygiene, and by utilizing Circular Economy principles and new business opportunities.
- Consider the impact on environment and product, service, and solution safety throughout a product's life cycle. In addition, facilitate products for certification and environmental labels, while adhering to sustainable guidelines.
- Develop business processes throughout the value chain that are in line with international standards to promote stakeholder awareness of the environmentally responsible approach to use products.

Customer Relationship Management



Overall customer satisfaction is at 85% rating (fibrous business, packaging paper, and fiber packaging).

- Create business-to-business-to-customer (B2B2C) experiences.
- Create business-to-customer (B2C) experiences.

Sustainable Value Creation for Business Partners



- 100% of suppliers are committed to complying with the SCGP's Supplier Code of Conduct.
- 100% of suppliers pass the Environmental, Social and Governance (ESG) risk assessment.
- 100% of contractors in the production process have been certified under SCG Contractor Safety Certification System or SCS.
- 100% of the main transport business partners have been certified as regular transport business partners.

- Select and assess potential suppliers in regard to sustainable operations.
- Conduct risk assessments and supplier segmentation to formulate a strategy and supplier development plan corresponding to the risks.
- Develop and advance suppliers' capabilities towards sustainability.
- Raise awareness and enhance employees' competency for efficient procurement.

Corporate Governance



- A 5-star excellent rating in the assessment by the 2023 Corporate Governance Survey of Listed Companies.
- Zero misconduct against the anti-corruption policy.
- 100% of employees to pass the Ethics e-Testing, a test on ethics.

- Communicate and encourage employees and business partners to fully understand, realize, and comply with corporate governance, SCGP's Code of Conduct, and Supplier Code of Conduct.
- Assess risks and investigate corruption cases by using existing preventative systems that consist of ethics testing, 3 levels of agency's risk management and internal control, and accessible complaint channels for stakeholders.
- Integrate information and cyber security risks into enterprise-wide risk management and adjust operating strategies constantly to combat cyber threats which change and develop at a rapid rate.

Information and Cyber Security



- The information system operates continuously not less than 99.5% of the time and the system suffers from issues less than 1.83 days a year.
- No complaint about customer data breached.

- Integrate information and cyber security risks into enterprise-wide risk management such as the identification of risks or business opportunities, assessment and prioritization, management measure formulation, and monitoring and reporting.
- Determine the security management process of the information technology system as guided by the information technology security policy.
- Enhance knowledge, understanding, and awareness among employees at all levels by providing training on corrective measures upon facing a cyber threat.



Economic Guidelines

Sustainable Supply Chain

SCGP implements Circular Economy principles in every stage of its supply chain, from design, procurement, production, distribution and transportation, utilization, to reuse. We use limited energy and natural resources with optimum efficiency, reduce the need to use raw materials, apply reusing and recycling, utilize renewable energy, and leave the least amount of waste that cannot be reused or disposed. The Company offers long-lived products,

OUR SIX CAPITALS

EMPOWER OUR VALUE CHAIN

Inputs



Planet

1. Natural Resources

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



People

2. Human Resources

- Employees and suppliers
- Training

3. Social and Relation

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



Prosperity

4. Intellectual resources

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

5. Financials

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

6. Manufacture

- Operation Plants
- Head office

Raw Materials



9 STAKEHOLDER GROUPS

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

services, and solutions which can reduce greenhouse gas emissions, energy consumption, and waste generation. In addition, efforts are spent to take care of communities around plants and all stakeholders, as well as initiating many social projects including raising awareness on environment conservation. Together with all sectors, namely the government, private, and public sectors, the Company aims to push forward for a sustainable society.



Analysis of Stakeholder Expectations

SCGP categorized stakeholders into 9 main groups: 1.Shareholders/Investors/Business partners/Creditors 2.Employees 3.Customers 4.Suppliers/Contractors 5.Communities 6.Government agencies 7.Mass Media 8.Civil Society/Academics/Thought Leaders 9.Competitors. Each stakeholder group may be affected by the Company’s operations at different levels. Therefore, stakeholders’ needs and expectations, communications/channels and examples of what has been done for stakeholders were continuously analyzed.

The following table shows the results of the stakeholder expectations analysis conducted in 2023 :

Stakeholder Groups	Needs and Expectations	Participation Approaches	Example of Outcomes
<p>1</p> <p>Shareholders/ Investors/ Business partners/ Creditors</p> 	<ul style="list-style-type: none"> • SCGP’s action plans or strategies to achieve both long-term and short-term goals. • Operating results, development directions and business growth. • Corporate governance and transparent management. • Disclosure of information on business performances. • An optimum value of dividends. • Receptive to opinions/suggestions for improvement of operations. 	<ul style="list-style-type: none"> • Annual General Meeting. • Announcement of quarterly business performance. • Annual Report and Annual Sustainability Report. • Analyst conference. • Investor Relations (IR) for communication of operating results/action plans with investors around the world. • Hotline phone and e-mail, managed by IR. • Website. • Annual plant visits and CSR activities. 	<ul style="list-style-type: none"> • Disclose essential and necessary information on SCGP’s operating performances. • Conduct business with transparency and accountability. • Listen to opinions/suggestions for business operation development.
<p>2</p> <p>Employees</p> 	<ul style="list-style-type: none"> • Reskilling, upskilling, and potential development in line with business changes. • Business directions and guidelines for adaptation. • Employee care. 	<ul style="list-style-type: none"> • Ensure regular communication through internal news. • Hold annual meeting between employees and executives. • Prepare employee engagement plans for each department to encourage employee’s commitment to the organization. • Conduct yearly employee satisfaction surveys. • Conduct formal and informal employee opinion surveys. • Inform employees about relevant news and business movements through various internal communication channels, including e-mail, Line Group, Employee Connect application. • Provide information to raise awareness on healthcare during the COVID-19 pandemic through multiple internal communication channels, including e-mail, Line Group, Employee Connect application. 	<ul style="list-style-type: none"> • Recognize employees’ problems and expectations. • Understand employees’ needs and facilitate them to work happily and efficiently. • Disclose operational information to keep employees informed of SCGP business operations. • Promote a collaborative culture with other stakeholders.

Stakeholder Groups	Needs and Expectations	Participation Approaches	Example of Outcomes
<p style="text-align: center;">3</p> <p style="text-align: center;">Customers</p> 	<ul style="list-style-type: none"> • Provide integrated services and solutions that meet the needs of customers in a complete cycle. • Supply quality products and services that meet customer needs and are environmentally friendly. • Provide online channels as a response to customer behavior. 	<ul style="list-style-type: none"> • Develop sustainable products, services, and solutions, and consider environmental, health, and safety impacts at every step of the process. • Provide 24/7 channels for customers to give feedback or complaints about products and services. • Co-develop products with customers and create collaborative projects that enhance social responsibility. • Conduct a customer satisfaction survey. • Conduct a brand reputation survey. • Listen to customer needs through Facebook, websites, and customer visits and use the knowledge to develop products/services. 	<ul style="list-style-type: none"> • Recognize and understand customer needs to deliver products and services that meet their specific needs. • Co-develop products with business customers, including promoting cooperation among B2B customers to develop more sustainable products and services. • Create channels for customers to give feedback on products, request advice for solving their problems, and receive complaints.
<p style="text-align: center;">4</p> <p style="text-align: center;">Suppliers/ Contractors</p> 	<ul style="list-style-type: none"> • Provide knowledge and mentoring for better and safer transportation to grow along with SCGP. • Support operational knowledge with concerns on the Environmental, Social and Governance (ESG) to enhance the business partners' capability to reduce operational and reputational risks. 	<ul style="list-style-type: none"> • Visit suppliers/contractors' places to exchange of ideas and listen to their suggestions or recommendations for improvement. • Cultivate safety consciousness, raise awareness, and promote working behavior to build a safety culture. • Organize seminars to share new knowledge and trends that may affect business partners' operations. • Enhance the performance of transportation contractors through assessment and development under the annual Sustainability Program. • Establish measures for business partners, including the application of digital and online technology to ensure safety. 	<ul style="list-style-type: none"> • Promote and maintain a safe and working environment for contractors in production and transportation. • Create value for business partners and suppliers through supporting and elevating the operations of business partners in order to develop knowledge and achieve maximum efficiency. • Develop collaborative projects for sustainable business growth and expansion. • Encourage business partners to comply with the relevant laws pertaining to environment, health, and safety.
<p style="text-align: center;">5</p> <p style="text-align: center;">Communities</p> 	<ul style="list-style-type: none"> • Ensure that business operations do not affect communities and environment. • Use SCGP's expertise to develop and improve the quality of life of communities. • Learn and develop to build career and income stability. • Enhance income generation by increasing sales channels, developing the marketing plan, and providing packaging. 	<ul style="list-style-type: none"> • Visit communities to listen to their opinions, suggestions, and needs through community relations activities. • Conduct a community satisfaction survey annually. • Act as a mentor to give advice and help develop communities in various dimensions, using the expertise of the organization. • Collaborate with communities, experts, the government, and related sectors to create a positive social impact. • Communicate through social media, such as Line, Facebook, and Twitter. • Create open house activities for the community visit to obtain their opinions. 	<ul style="list-style-type: none"> • Be a part of communities, respect their rights, and preserve the surrounding environment. • Improve the quality of life and contribute to the communities and society where SCGP operates, both in Thailand and ASEAN. • Listen to communities' opinions. • Develop cooperative projects that make use of communities' potential for the benefit of society.

Stakeholder Groups	Needs and Expectations	Participation Approaches	Example of Outcomes
<p style="text-align: center;">6</p> <p style="text-align: center;">Government Agencies</p> 	<ul style="list-style-type: none"> • Be a role model of corporate governance for other organizations in terms of operational transparency and excellence. • Collaborate with public sectors and present guidelines for sustainability. • Make business disclosure with transparency and accountability. • Conduct business by heeding the impact on the environment and communities. • Participate in a collaborative project to achieve the Sustainable Development Goals (SDGs). 	<ul style="list-style-type: none"> • Listen to opinions and suggestions from the government sector. • Voice opinions and suggestions regarding rules, regulations, and guidelines set out by the government sector. • Participate with the public sectors and share best practices to disseminate to the public. • Elect a committee or working group and collaborate with public sectors in proposing regulatory rules. • Pay a visit to government agencies to obtain opinions and suggestions. • Disseminate information on business operations through articles, media, academic forums, exhibitions, and seminars. 	<ul style="list-style-type: none"> • Conduct proper and appropriate business activities by strictly complying with applicable laws and regulations. • Cooperate with government agencies in terms of academic matters and support for activities.
<p style="text-align: center;">7</p> <p style="text-align: center;">Mass Media</p> 	<ul style="list-style-type: none"> • Become a role model for large enterprises that focuses on conducting business in accordance with the sustainable development framework (environmental, social and governance), and commit to it thoughtfully and continuously, achieving tangible outcomes. 	<ul style="list-style-type: none"> • Disseminate business information in various aspects regularly, such as business performance, and hold business press conferences. • Organize activities to explore operations or social activities occasionally. • Support media activities that are beneficial to society, aligning with SCGP's business principles, appropriately. • 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. 	<ul style="list-style-type: none"> • Communicate corporate news through in-depth media interviews and online surveys (empathize media) to provide news content responding to different media needs. • Create an online communication channel to disseminate correct, complete, and up-to-date information, including facilitating the media. • Build engagement and good relationships with the mass media.
<p style="text-align: center;">8</p> <p style="text-align: center;">Civil Society/ Academics/ Thought Leaders</p> 	<ul style="list-style-type: none"> • Become a role model and mentor of other small and medium enterprises to share best practices on sustainability. • Join forces with large enterprises to make significant changes for sustainability. • Cooperate with government agencies and present practical guidelines for sustainability. 	<ul style="list-style-type: none"> • Listen to opinions and suggestions from civil society, academics, and thoughts to develop business operations. • Cooperate in projects promoting social sustainability. • Build engagement and share best practices to civil society/ academic/ thoughts leaders for implementation. • Provide information on the business operations through articles, media, meetings, exhibitions, academic work, and seminars. 	<ul style="list-style-type: none"> • Make complete and transparent information disclosure. • Listen to opinions and suggestions from the civil society sector. • Seek opportunities to build partnerships to drive issues related to sustainability. • Raise awareness and build understanding on sustainable development issues for the society. • Utilize knowledge from experts to support collaborative projects.
<p style="text-align: center;">9</p> <p style="text-align: center;">Competitors</p> 	<ul style="list-style-type: none"> • Conduct business under the framework of fair competition, with business ethics and transparency. • Do not take advantage of competitors by unlawful means. • Do not damage the reputation of competitors by making malicious accusations. • Do not seek any trade secret information through dishonest or inappropriate means. • Do not conduct any action that infringes the intellectual property of competitors. • Support and promote free trade. 	<ul style="list-style-type: none"> • Contribute as a committee or working group along with central organizations such as the Federation of Thai Industries or other associations. • Hold seminars to share knowledge on new trends that may affect business operations. • Visit to build relationships and exchange ideas, suggestions, or improvements. 	<ul style="list-style-type: none"> • Conduct the business under the framework of fair competition and related laws. • Disclose essential and necessary information on SCGP's operating performances. • Conduct business with transparency and accountability. • Listen to opinions/suggestions for business operation development. • Identify opportunities to build cooperation for encouraging and driving business-related issues that need consideration from the government sector.

Human Rights Due Diligence

SCGP has thoroughly reviewed policies, frameworks, and practices to be in line with international standards, including country-specific issues, aimed to cover all business activities of SCGP, contractors, suppliers, and business partners, taken account of these following issues :



In addition, the Company has compiled proactive human rights standards for development of Guideline on Human Rights Due Diligence Process, allowing each company to use it as reference for risk assessment, preventative measure planning, and comprehensive investigation in order to maintain risk at the acceptable level. Moreover, the whistleblowing channels and system were modernized and improved to cover various issues regarding human rights violations and whistleblower protection as specified in the SCGP Whistleblowing Policy. Learn more at <https://sustainability.scgpacaging.com/th/social/human-rights>.

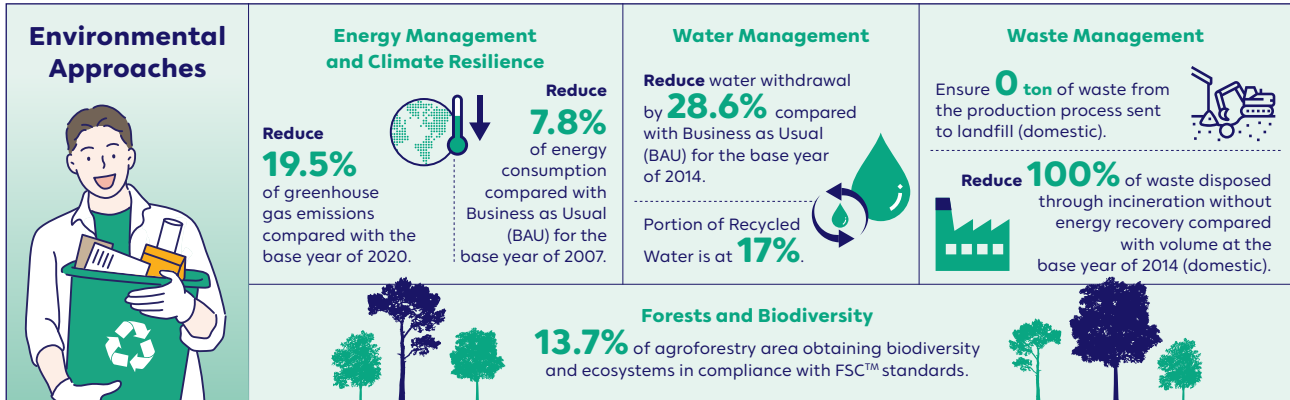
Corporate Governance by the Board of Directors on Climate Change

SCGP elected the Risk Management Committee to monitor and assess climate change-related risks on the organizational level in collaboration with the climate change and energy working group every quarter. The result will be reported to the Audit Committee, with a director as the Chairman; ESG Committee, with the Chief Executive Officer as the Chairman; Chief Operating Officers from each business; Chief Financial Officer; and Chief Regional Officer, to consider risk management and climate change-related opportunities, as well as offer suggestions on additional strategies or action plans. Furthermore, in the case of investing in a low-carbon project, it will be proposed to the Investment Committee for consideration.



Sustainability Performance

Based on the stakeholder expectation analysis, the Company has put sustainability guidelines in place that cover Environmental, Social and Governance framework (ESG). The key sustainability performance regarding economic, social and environmental data for 2023 are as follows :



Information on Sustainable Development Operations in SCGP

Performance	2019	2020	2021	2022	2023
			Thailand/Abroad		
1. Revenue from Sales of and Services SCG Green Choice Products (%) ¹	16	34	45	48	57
2. Research & Development and Innovation Investment (Baht Million) ¹	584	529	958	522	998
3. Raw Materials (Thousand Tons) ²	5,177	6,405	4,507/2,712	8,649	6,828
4. Recycled and Renewable Materials (Thousand Tons) ²	2,597	4,003	4,482/2,688	8,607	6,766
5. GHG Scope 1 and 2 (Million Tons of Carbon Dioxide Equivalent) ³	2.91	2.92	2.79/2.09	4.36	4.02
6. GHG Emissions Reduction Compared with the Base Year of 2020 (%) ⁴	14.45	12.79	4.6/-0.8	12.7	19.5
7. GHG Emissions Scope 1 and 2 (Tons of Carbon Dioxide Equivalent per Ton of Production)	0.85	0.87	0.8/0.94	0.79	0.73
8. GHG Emissions Scope 3 (Million Tons of Carbon Dioxide Equivalent)	N/A	N/A	2.17	1.46	2.06
9. Carbon Sequestration in Agroforestry (Million Tons of Carbon Dioxide Equivalent)	N/A	N/A	N/A	N/A	0.15
10. Total Energy Consumption (Petajoules)	40.8	67.3	64.7	60.4	59.1
11. Portion of Renewable Energy (%)	27.52	25.57	29.8/4.41	24.3	28.6
12. Energy Consumption Reduction Compared with Business as Usual (BAU) for the Base Year of 2007 (%)	8.42	5.36	5.59/6.25	6.83	7.78
13. Energy Consumption (Gigajoules per Ton)	11.86	12.14	11.89/10.48	10.9	10.7
14. Water Withdrawal Reduction Compared with Business as Usual for the Base Year of 2014 (%)	10.4	16.8	19.4/37.8	28.0	28.6
15. Proportion of Water Reuse (%)	12.04	14.08	16/10	16.29	16.97
16. External Water Withdrawal (Cubic Meter per Ton)	17.82	16.31	15.53/11.17	13.11	12.95
17. Industrial Waste to Landfilled in Thailand (Tons)	0	0.77	0/17,749.8	12,236.2	7,519.1
18. Waste (per Tons of Products) to Incineration without Energy Recovery Compared with the Base Year of 2014 (%)	96.17	99.62	99.99/N/A	99.95	100
19. Lost Time Injury Frequency Rate (Cases per 1,000,000 Working Hours) in Thailand • Employee+Contractor	0.605	0.217	0.263/1.492	0.419	0.419
20. Total Number of Work-Related Fatalities (Cases) • Employee (Male : Female)	0 : 0	0 : 0	1 : 0	0 : 0	1 : 0
21. Total Number of Work-Related Fatalities (Cases) • Contractor (Male : Female) (Workplace and Direct Transportation)	0 : 0	0 : 0	1 : 0	0 : 0	1 : 0
22. Fatality from transportation and traffic accident (Cases) • Logistic Contractors (Male : Female)	2 : 0	0 : 0	0 : 0	0 : 0	1 : 0
23. Recordable Work-Related Injury Rate (Cases per 1,000,000 Working Hours) • Employee	1.423	1.006	1.836	1.414	1.355
24. Proportion of Female Employees (%)	16.92	17.52	17.9/N/A	21.9	31.5
25. Proportion of Female Employees in Management Positions (%)	19.6	20.6	21.2/N/A	24.4	23.8

Notes :

- Economic data covers domestic and overseas performance.
- For the total amount of raw materials and the amount of recycled materials in 2017-2020, the report includes data on the amount of waste paper that are raw materials for overseas plants into the Thailand dataset. For the year 2021, the report is divided into the total amount of raw materials, the amount of recycled materials, and the amount of renewed materials, based on the locations of the plants that use raw materials.
- Direct GHG emissions (Scope 1) arise from the production processes or activities of which the sources are in the supervision and the management of the Company or plants, such as emissions of greenhouse gases from stationary combustion and mobile combustion, fugitive emissions, and chemical reaction emissions. Carbon dioxide emissions from biomass, biogas and lime mud burning at lime kiln must be separated from Scope 1 because carbon found in biomass, biogas and lime kiln are of the natural origin.
- Indirect GHG emissions (Scope 2) are caused by indirect GHG emissions from energy consumption, such as greenhouse gases arising from electricity generation, imported thermal or steam for internal utilization.

SCGP has disclosed information in the Sustainability Report in accordance with GRI standards. The accuracy of the sustainability information was verified for the year ended December 31, 2023 by SGS (Thailand) Co., Ltd. The Company has disclosed details of its sustainable development performance in the 2023 Sustainability Report on our website (www.SCGPackaging.com).



4

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



Management Discussion and Analysis : MD&A

Business and Operations Overview

SCG Packaging Public Company Limited (SCGP) is a holding company with worldwide operations through its subsidiaries and affiliates in three units, which are (1) Integrated Packaging Business (2) Fibrous Business and (3) Recycling Business.

1. Integrated Packaging Business

accounts for 75% of the total consolidated revenue and comprises of :

- Fiber Packaging, such as corrugated containers, retail display packaging, and rigid box
- Packaging Paper, such as linerboard, corrugated medium, and coated duplex board
- Consumer and Performance Packaging including; flexible packaging, rigid packaging, medical supplies, and labware

2. Fibrous Business

accounts for 19% of total consolidated revenue and comprises of foodservice products, printing and writing paper, and pulp products.

3. Recycling Business

accounts for 6% of total consolidated revenue and comprises of recovered paper and recovered plastic.



Post-Pandemic Recovery

2023 presented a sequential recovery in packaging demand, primarily in consumer-related segments such as foods, beverages, and household products, especially from domestic consumption in ASEAN. This development was propelled by the continuation of recovery in the service sector and the resumption of travel and tourism activities.

The reopening of China's economy also played a significant role in alleviation of supply chain disruptions. Favorable factors from global rise of demand for essential goods, along with effect from export ban of agricultural products in other countries, have supported the growth of several ASEAN exports, including frozen food, canned food, processed food, fresh fruits, and rice.

Nonetheless, slower than expected economic recovery in China as well as high inflation and interest rates in Europe were key factors that limit purchasing power and hindered ASEAN's durable goods exports, notably in electronics, automotive parts, furniture, garments, and footwear.



Selling Price and Cost Movements

Stiff competition and excess supply led to persistent product price pressure, particularly in Indonesia's packaging paper industry. Regional selling prices in both domestic and export markets of pulp and packaging paper reached their bottom point before started to pick up at the end of 2023. Meanwhile, selling prices of consumer packaging were more stable due to resilient demand especially for daily-consumption products.

Major cost movement, on a YoY basis, indicated improvement, including freight from higher container availability in the supply chain while raw materials and energy costs were lower in the midst of weaker economy. Nonetheless, geopolitical conflict in the Middle East which arose in the latter part of the year have led to volatility in global freight cost and route management.

Moving Forward

SCGP continuously engages in expanding and strengthening its business operations. This involved a proactive approach in cost management, utilizing Artificial Intelligence (AI) to navigate optimization in energy cost, and simultaneously providing value through innovative products and services that align with customers' needs. The goal is to fortify SCGP's position as a leader in integrated packaging solutions in ASEAN and prioritize Environmental, Social and Governance (ESG) framework as fundamental to all business activities while also heading towards Net Zero Greenhouse Gas (GHG) emission target by 2050.

SCGP's 2023 Performance

Revenue from sales

129,398

Baht million

▼ a decrease of

11%

year-on-year

due to lower sales volume and product prices, especially from packaging paper amidst slow global and regional economic recovery.

EBITDA

17,769

Baht million

▼ a decrease of

8%

year-on-year

with an EBITDA margin of

14%

Profit for the year

5,248

Baht million

▼ a decrease of

10%

year-on-year

and net profit margin was

4%

the lower EBITDA and profit were primarily caused by a decrease in sales volume and selling prices in alignment with revenue. However, overall margin was maintained as a result of continued efforts in cost reduction and operational excellence.

Business Expansions to Fulfill Growing Consumer Demand

SCGP pursues continuous growth through Merger and Partnership (M&P), which enlarges the customer base and enables the creation of value-accretive synergy across operations. The expedition of organic expansions to increase production capacity has also led to the enhancement in packaging solution capabilities, to serve growing customer demands.

In 2023, SCGP successfully executed 3 Merger and Partnership (M&P) deals in Italy, the UK, and Vietnam, along with 2 organic expansions in the Netherlands and Thailand. Moreover, there are 2 ongoing expansion projects in Thailand and Vietnam. Meanwhile, SCGP has also entered into a strategic partnership to create world-class sustainable innovation in renewable materials. Specific details are as follows :

1. Merger and Partnership (M&P)

■ Italy (Medical Supplies and Labware, Roletto) : SCGP acquired an 85% stake in Bicappa Lab S.r.L. (Bicappa), a specialist in pipette tips, with an investment of approximately Baht 125 million. This strategic transaction is through a subsidiary of SCGP, Deltalab, S.L. (Deltalab), which specializes in medical supplies and labware. This would strengthen Deltalab with distinguished capability of its primary supplier of pipette tips, a premium margin product in Deltalab's labware portfolio. This M&P investment provides Deltalab with access to valuable expertise in conductive polymer injection technology (For auto-pipetting) and advanced automated operations. Moreover, this advancement will open up new opportunities to expand sales of other medical supplies and labware products to Bicappa's client base. The current capacity of Bicappa is 12 plastic injection mold production lines. Bicappa's financial performance was consolidated from November 2023 onward.

■ The United Kingdom (Flexible Packaging, Stockport) : The acquisition of 100% of Law Print & Packaging Management Limited (Law Print), a prominent packaging solution provider, was completed with an investment of approximately Baht 475 million. This transaction would enlarge SCGP sales channels and customer networks with focus on the premium market of fast-growing pet food manufacturers in the UK

and across Europe. This forward integration enables SCGP to supplement its customer's network with Law print's existing and future clients. Additional benefit will be on synergies via cross-selling of other SCGP's consumer packaging products to multinational companies (MNC) clients. Law Print's financial performance was consolidated from November 2023 onward.

■ Vietnam (Fiber Packaging, Dong Nai) : SCGP acquired a 70% stake in Starprint Vietnam Joint Stock Company (SPV), a leading offset folding carton manufacturer, with a total investment of approximately Baht 987 million. This transaction emphasizes SCGP's commitment to meet Vietnam's rising packaging consumption. The M&P will further enhance SCGP's packaging solutions portfolio with expanded production in folding carton, and extend the portfolio with new capabilities to produce rigid box, which will enable SCGP to serve the fast-growing and high-margin aesthetic display packaging segments. The combined capacity of SPV encompassed 16,500 tons of offset printing per year and 8 million pieces of rigid boxes per year. SPV's performance will consolidated from January 2024 onward.

2. Organic Expansion

■ The Netherlands (Packaging Materials Recycling, Alblasserdam) : A facility expansion and relocation project for international recycling business, from Dordrecht to Alblasserdam, nearby Rotterdam port, under Peute Recycling B.V. (Peute) was completed. The project would improve transportation efficiency, double the sourcing and processing capacity of recovered paper to 2 million tons per year and recovered plastic to 0.2 million tons per year, while also enabling SCGP to significantly improve the fulfillment of recycling materials to global customers. This project started commercialization in November 2023.

■ Thailand (Flexible Packaging, Samutsakorn) : SCGP has enlarged its consumer and performance packaging business under Prepack Thailand Co., Ltd. (Prepack). The capital expenditure for this project was part of the total investment in asset acquisition project in December 2022 from Cyberprint Group Co., Ltd. (Cyber),

a multi-type printing and packaging service provider in Thailand, with the amount of Baht 450 million. This expansion not only boosts Prepack’s production capacity by approximately 26 million square meters per year, or an increase of 6% over existing capacity, but also extends the customer network by tapping into Cyber’s rapidly growing customer segments in pet food and health supplement products. The additional capacity also enables SCGP to fulfill the evolving needs of customers related to on-the-go urban lifestyles. Completion of main facility and support systems were in the third quarter of 2023. The installation of printing machines is currently ongoing.

The 2 ongoing organic expansions are as follows :

- Thailand (Fiber Packaging, Samutprakan and Samutsakorn) : SCGP is expanding corrugated containers capacity in response to surge in domestic demand. This project incorporates the latest available technology of production and printing capabilities, including robotic, automation and attractive printing application. This will add 75,000 tons per year of production capacity, which is equal to 9% of total fiber packaging capacity in Thailand, with an investment of Baht 2,450 million. The project is strategically located at the center of customers’ production hubs, making it a pivotal factor in accommodating growing customer orders while improving cost competitiveness in logistics. Currently, the corrugator building has been completed while installation of machinery is ongoing with an expected start-up in the first quarter of 2024.
- Vietnam (Packaging paper, North Vietnam) : A new production base in the northern region of Vietnam under Vina Kraft Paper Co., Ltd. (VKPC) will support the packaging market growth driven by rising demand of industrial & export sectors, and surge in FDI as a result of investment promotion policy.



This project will add packaging paper capacity of 370,000 tons per year or an increase of 75% from existing capacity with capital expenditures amounted to Baht 11,793 million. Approval of Environmental Impact Assessment (EIA) was already completed while the land preparation process is ongoing. Nevertheless, further investment in the project is currently under review amid the latest development of demand and supply condition in the region. Final investment decision is expected by the end of 2024.

3. Joint Development Agreement (JDA)

- SCGP has entered into a joint development agreement with Origin Materials, a NASDAQ-listed technology company, to develop sustainable innovation “Bio-based Plastic” from Eucalyptus woodchips to capture emerging growth in renewable materials globally. This partnership would also strengthen integration along SCGP’s value chain. Proof-of-concept, technology verification, and pilot testing stages have been completed. The project is currently progressing towards the study of yield enhancement and identifying potential partners and markets.



Table 1 - SCGP's Consolidated Financial Statements

Unit : Baht million

	Year		% y-o-y
	2023	2022	
Operating Results			
Revenue from Sales	129,398	146,068	-11%
Integrated Packaging Business	97,044	117,219	-17%
Fibrous Business	24,894	24,273	3%
Recycling Business	7,460	4,576	63%
Cost of Sales	106,274	121,791	-13%
Gross Profit	23,124	24,277	-5%
<i>Gross Profit Margin (%)</i>	<i>18%</i>	<i>17%</i>	
Distribution Cost and Administrative Expenses	15,684	16,039	-2%
EBITDA	17,769	19,402	-8%
<i>EBITDA Margin (%)</i>	<i>14%</i>	<i>13%</i>	
Profit for the year	5,248	5,801	-10%
<i>Net Profit Margin (%)</i>	<i>4%</i>	<i>4%</i>	
Earnings per Share (Baht)	1.22	1.35	
Core Financials			
Core EBITDA	17,642	19,240	-8%
Core Profit	5,146	5,768	-11%

Notes :

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

 EBITDA = Earnings before finance cost, tax, depreciation & amortization (excluded dividend from associates and included FX gain/loss from loans)
 In 2023 and 2022, dividend from associates were Baht 9 million and Baht 11 million, respectively.

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

Operations Overview by Business

Integrated Packaging Business (IPB)

In 2023, IPB revenue from sales was recorded at Baht 97,363 million (Before inter-segment elimination), decreased by 17% year-on-year. The decrease was due to lower sale volume and product prices particularly in packaging paper business amid weak ASEAN export of durable goods under heightened inflation and interest rate. Meanwhile, consumer packaging, which consists of fiber packaging and consumer and performance packaging, provided impressive performance primarily attributed to favorable growth in food, beverage, and consumer goods segments.

EBITDA was recorded at Baht 14,419 million, decreased by 2% year-on-year with EBITDA margin of 15%. Profit for the year was Baht 5,095 million improved by 13% year-on-year. The increase in profitability was mainly due to cost improvement (raw materials and energy). As part of our efforts, SCGP has accelerated and given priority to operational excellence. This includes leveraging data analytics, such as the utilization of Artificial Intelligence (AI) to optimize energy consumption and production process along with continued endeavors to diversify sources of raw materials to ensure supply security and enhance our competitive cost position.

Fibrous Business (FB)

In 2023, FB revenue from sales was recorded at Baht 26,835 million (Before inter-segment elimination), remained flat from last year attributed to the higher sales of foodservice packaging to serve clients particularly in Europe & the US and improvement in market price at paper products. Nonetheless, pulp prices decreased compared to the previous year.

EBITDA was recorded at Baht 3,835 million, decreased by 6% year-on-year with EBITDA margin of 14%. Profit for the year was Baht 1,235 million, decreased by 1% year-on-year mainly from a decrease in pulp market prices amidst weaker global demand for textile and garment industry.

Table 2 - Operating Results by Business Segment

Unit : Baht million

Revenue from Sales	Year		% y-o-y
	2023	2022	
Consolidated SCGP	129,398	146,068	-11%
Integrated Packaging Business	97,363	117,524	-17%
Fibrous Business	26,835	26,928	0%
Recycling Business	8,669	4,814	80%
Intersegment Elimination	(3,469)	(3,198)	-8%

EBITDA	Year		% y-o-y
	2023	2022	
Consolidated SCGP	17,769	19,402	-8%
Integrated Packaging Business	14,419	14,729	-2%
Fibrous Business	3,835	4,066	-6%
Recycling Business and Others	3,290	4,386	-25%
Intersegment Elimination	(3,775)	(3,779)	0%

EBITDA Margin (%)	Year		
	2023	2022	
Consolidated SCGP	14%	13%	
Integrated Packaging Business	15%	13%	
Fibrous Business	14%	15%	

Profit for the year	Year		% y-o-y
	2023	2022	
Consolidated SCGP	5,248	5,801	-10%
Integrated Packaging Business	5,095	4,505	13%
Fibrous Business	1,235	1,245	-1%
Recycling Business and Others	2,334	3,674	-36%
Intersegment Elimination	(3,416)	(3,623)	6%

Notes :

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

EBITDA Margin = EBITDA / Revenue from Sales

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

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

Cost of Sales

In 2023, SCGP's cost of sales was Baht 106,274 million (a decrease of 13% year-on-year), comprising of integrated packaging business (IPB) of Baht 80,602 million (18% year-on-year drop), fibrous business (FB) of Baht 22,704 million (flat from last year), and recycling business of Baht 6,718 million. The decrease in cost of sales was primarily attributed to continued efforts on cost reduction and operational excellence, along with the improvements in key cost components, including raw materials prices, freight, and energy costs. Below are key focuses of SCGP's effective cost management.

i. Supply chain optimization :

SCGP focused on synergy and optimization with execution of cross-selling, pool-purchasing, and product portfolio rationalization across its regional operations to enhance cost efficiency.

ii. Security of supply :

SCGP ensured the stability and quality of recovered paper (RCP), an important raw material, by sourcing from diversified sources globally. The effort to strengthen security of supply includes 1) Expansion of recycling infrastructure (total of 158 recycling stations and recycling partners) across ASEAN 2) Primary source collection, which allowed SCGP to access good quality RCP at competitive price 3) Investment in international

packaging materials recycling business as part of backward integration to enhance long-term sourcing capability, while also fulfill a fast-growing global demand of recycled materials for external clients.

iii. Energy management :

SCGP has effectively managed coal cost, which primarily procured from the Indonesian coal market with index-linked price. SCGP's coal sourcing strategy involves an optimization via data analytics for both volume and price, ensuring cost-efficient management of coal resource. Meanwhile, the Company improves its cost competitiveness by increasing biomass usage portion as an alternative fuel (AF) source to coal. On another front, SCGP has implemented the project to utilize artificial intelligent (AI) technology to enhance energy and steam consumption efficiency and optimize production costs while also reduce GHG emission.

SCGP also committed to achieving a Net Zero target by 2050 through Circular Economy practices and the development of environmental-friendly innovations to meet the evolving needs of environmentally conscious customers and consumers. The abovementioned usage of AF, which increased to 36.0% of the total energy sources in 2023, from 30.6% at the end of 2022, not only led to the reduction in cost but also represented SCGP's strong commitment to reduce GHG emission.

Table 3 - Cost of Sales Classified by Business Segment

Unit : Baht million

	Year				% y-o-y
	2023	%	2022	%	
Integrated Packaging Business	80,602	76	98,865	81	-18%
Fibrous Business	22,704	21	22,671	19	0%
Recycling Business	6,718	6	3,622	3	85%
Intersegment Elimination	(3,750)	(3)	(3,367)	(3)	11%
Consolidated SCGP	106,274	100	121,791	100	-13%

Distribution Costs and Administrative Expenses

In 2023, distribution costs were Baht 8,701 million, decreased by 7% year-on-year. This was primarily attributed to the improvement in freight rate and transportation costs. In addition, the administrative expenses were Baht 6,983 million, increased by 4% year-on-year mainly from the higher employee-related expenses.

Summary of the Consolidated Statement of Financial Position as of December 31, 2023

Total assets

were Baht 198,561 million, an increase of Baht 1,281 million or +1% from the previous year. This was mainly from the increase in assets from M&Ps of Starprint, Law Print, and Bicappa of Baht 1,992 million, including Goodwill of Baht 1,093 million. SCGP's assets consisted of property, plant and equipment 47%, current assets 30% and non-current assets 23%.

- **Current assets** were Baht 60,272 million, remained flat from the previous year which largely comprised of cash and cash equivalents, short-term investments, trade and other current receivables, and inventories.
- **Cash and cash equivalents and short-term investments** were Baht 17,181 million, an increase of Baht 4,837 million or +39% from the previous year.
- **Trade and other current receivables** were Baht 22,648 million, a decrease of Baht 606 million or -3% from the previous year, mainly attributed to lower sales volume. As of 31 December 2023, SCGP's total trade receivables were Baht 19,982 million which included expected credit loss of Baht 185 million. SCGP's normal credit term is 30-90 days as disclosed in note to the financial statements 7 "Trade receivables," in the Financial Report 2023.

- **Inventories** were Baht 19,253 million, a decrease of Baht 4,028 million or -17% from the previous year. The inventories mainly consisted of finished goods, goods-in-process, raw materials, spare parts, stores supplies, and goods in transit. In 2023, SCGP has no significant deteriorated or obsolete inventories as disclosed in note to the financial statements 8 "Inventories," in the Financial Report 2023.
- **Non-current assets** mainly comprise of property, plant and equipment, goodwill and other intangible assets.
- **Property, plant and equipment** were Baht 94,279 million, remained flat from the previous year. Under construction projects and capital expenditures was accounted for Baht 7,124 million.

Total liabilities

were Baht 96,112 million, an increase of Baht 21,799 million or +29% from the previous year primarily due to the preparation for potential additional share acquisition (Put option) of 44.48% shares, valued at Baht 22,313 million, in PT Fajar Surya Wisesa Tbk. (Fajar) from SCGP's partner with possibility of transaction in the middle of 2024.

- **Trade and other current payables** were Baht 14,808 million, an increase of Baht 526 million or +4% from the previous year.
- **Loans** were Baht 49,113 million, a decrease of Baht 1,056 million or -2% from the previous year as a result of repayment of bank loans whilst lease liabilities increased from Peute's facility relocation project.

Total shareholders' equity

was Baht 102,449 million, a decrease of Baht 20,518 million or -17% from the previous year. The change was mainly attributed to other equity interest of Baht 23,204 million as a result of the record of liabilities related to potential acquisition of additional Fajar's shares (above) and dividend payment of Baht 3,286 million while the increase was from profit for the year of Baht 5,429 million.

Table 4 - Summary of SCGP's Consolidated Statement of Financial Position

Unit : Baht million

	Year		Change	
	2023	2022	Baht million	% y-o-y
Total Assets	198,561	197,280	1,281	1%
Current assets	60,272	60,154	118	0%
Cash and cash equivalents	9,889	9,966	(77)	-1%
Short-term investments	7,292	2,378	4,914	207%
Trade and other current receivables	22,648	23,254	(606)	-3%
Inventories	19,253	23,281	(4,028)	-17%
Investments in associates	1,063	1,034	29	3%
Property, plant and equipment	94,279	94,585	(306)	0%
Goodwill	29,374	28,233	1,141	4%
Other intangible assets	10,051	10,574	(523)	-5%
Total Liabilities	96,112	74,313	21,799	29%
Trade and other current payables	14,808	14,282	526	4%
Loans	49,113	50,169	(1,056)	-2%
Liabilities related to put options	22,313	-	22,313	n.a.
Total Shareholders' Equity	102,449	122,967	(20,518)	-17%
Total equity attributable to owners of the Company	77,322	97,201	(19,879)	-20%
Non-controlling interests	25,127	25,766	(639)	-2%

Table 5 - SCGP's Net Debt

Unit : Baht million

	Year		Change	
	2023	2022	Baht million	% y-o-y
Short-term Loans	15,337	16,155	(818)	-5%
Foreign	15,067	12,988	2,079	16%
Baht	270	3,167	(2,897)	-91%
% of Total Loans	31%	32%		
Long-term Loans	33,776	34,014	(238)	-1%
Foreign	6,768	7,407	(639)	-9%
Baht	27,008	26,607	401	2%
% of Total Loans	69%	68%		
Total Loans	49,113	50,169	(1,056)	-2%
Average Cost of Debt (%)	4.1%	2.7%		
Cash and Cash Under Management	17,180	12,347	4,833	39%
Cash and cash equivalents	9,889	9,966	(77)	-1%
Investments in debt instruments	7,291	2,381	4,910	206%
Net Debt	31,933	37,822	(5,889)	-16%

Explanation of Key Financial Ratios for the Year 2023

Liquidity Ratio

As of December 31, 2023, the current ratio of SCGP was 0.9 times and quick ratio was 0.6 times, lower from the previous year due to the increase in liabilities related to put options. Meanwhile, the Company has prudently managed cash flow, trade accounts receivables, trade accounts payables, and inventories to mitigate liquidity risk during volatile economic environment and establish the foundation for future business expansions.

Profitability Ratio

SCGP's gross profit margin was 18% compared to 17% in the previous year. EBITDA margin increased to 14%, compared to 13% from last year, due mainly to continuous efforts to improve cost competitiveness throughout the value chain while there were also lower external cost of raw materials, freight, and energy amidst weaker global demand. The Company's net profit margin remained steady from the previous year at 4%.

Efficiency Ratio

SCGP's return on total assets was 3%, as the previous year. The return on fixed assets was at 15% compared to 16% in the previous year.

Financial Leverage Ratio

SCGP had a debt to equity ratio of 0.9 times, an increase from 0.6 times in 2022, due to the recording of liabilities related to potential share acquisition in Fajar. Net debt to EBITDA ratio was at 1.8 times which was slightly lower than 1.9 times in 2022. Interest-bearing debt to equity ratio was 0.5 times, which was higher than 0.4 times in 2022.

Summary of Consolidated Statement of Cash Flows for the Year Ended 31 December 2023

In 2023, SCGP's net cash flows provided by operating activities amounted to Baht 21,482 million including the operating cash flows of Baht 22,864 million and tax payment of Baht 1,382 million. Cash flows generated from operations were comprised of profit for the year adjusted by items such as depreciation and amortization, tax expense, and change in operating assets and liabilities.

Net cash flows used in investing activities amounted to Baht 13,060 million with main contributions from the M&P investments of Baht 1,303 million, other capital expenditure of Baht 7,383 million, and short-term investments of Baht 4,821 million.

Net cash flows used in financing activities amounted to Baht 8,366 million, driven by a decrease in net borrowings of Baht 3,024 million, dividend payment of Baht 3,286 million while interest and other finance costs payment amounted to Baht 2,067 million.

Table 6 - SCGP's Summary of Consolidated Statement of Cash Flows

Unit : Baht million

	Year		
	2023	2022	Change
Cash flows from operating activities	21,482	17,234	4,248
Cash flows from investing activities	(13,060)	(3,119)	(9,941)
Cash flows from financing activities	(8,366)	(11,602)	3,236
Net increase in cash and cash equivalents	56	2,513	(2,457)
Free cash flows	14,099	10,048	4,051

Liquidity and Capital Management

SCGP's capability to generate cash from operations depends on future performance, influenced by various factors, including general economic, financial, marketing, regulatory, and other elements detailed in the Section 2.2.3 "Risks Factor" section of this report. It is crucial to note that these factors are beyond the Company's

control. Regarding the Company's cash flows, liquidity ratios, and capital sources (including cash and cash equivalents, cash from operating activities, and existing bank loans), SCGP ensures that the Company maintains sufficient liquidity to sustain business operations, meet debt obligations while adhering to loan terms and conditions, and possesses the capability to secure additional sources of funds.

CAPEX and Investment

In 2023, the capital expenditures allocated to SCGP's expansion projects, which mainly related to incremental production capacity of its fiber packaging, consumer and performance packaging, and packaging materials recycling businesses following strategy to reinforce business integration along the chain.

Table 7 - SCGP's CAPEX and Investment

Unit : Baht million

	Year		
	2023	2022	2021
Merger and Partnership	1,565	7,417	16,229
Machine Maintenance	2,232	2,520	2,768
Expansion	1,748	1,765	1,653
Cost Optimization and Sustainability	1,775	1,459	1,040
Greenfield	-	-	32
Debottlenecking	193	407	468
Others ⁽¹⁾	1,435	1,035	454
Total CAPEX and Investment	8,948	14,603	22,644

Remarks : ⁽¹⁾ 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.

SCGP strategically allocates resources to fortify our leading position as a consumers' solutions provider with focuses on expanding the packaging business in consumer-linked segments and targeting growing markets across ASEAN and beyond. The expected 2024 CAPEX is Baht 15,000 million, not including potential investment for additional acquisition of 44.48% shares in PT Fajar Surya Wisesa Tbk. (Fajar) of approximately Baht 23,000 million. In addition, SCGP aims to capture new opportunities from the evolving consumer trends, by emphasizing the development of innovative sustainable packaging solutions which also enhances our value offerings and profitability in the long run.

Most of SCGP's capital expenditure is dedicated to pursuing business growth through both Merger and Partnership (M&P) and organic expansion. Concurrently, SCGP places a strong emphasis on enhancing operational efficiency, fostering development and innovation, along with sustainability. The Company consistently invests in maintenance of plants and equipment, regular improvements of production processes, and cost reduction efforts to ensure sustainable growth.

Factors that may Significantly Affect the Company's Future Operations and Related Risk Management

Macroeconomics

Looking into 2024, the global economy shows signs of improvement in key areas. This is supported by the decline in inflation & interest rates in various countries amid lower energy and product & service costs along with the normalization of intra-region supply chain. Consumer disposable income and spending are expected to be improved as well as business and consumer sentiments. Nonetheless, challenges still remain especially in the slow-recovered economies in Europe and also from volatilities related to ongoing geopolitical conflicts.

Thai economy is expected to recover in 2024, driven by domestic consumption growth and tourism sectors. Furthermore, several factors contribute to the positive outlook, including economic-boost government policy, public spending in stimulus measures, infrastructure projects and tourism promotion campaigns such as visa exemptions. Moreover, the increased business confidence would lead to expansion in private investment. As the economy bounces back, packaging demand is heading toward the upturn, especially in consumer-linked segments such as foods & beverages, and fast-moving consumer goods.

ASEAN economies are expected to outperform other regions, thanks to solid domestic demand, improving contribution from service sectors, and export recovery. These factors would lead to an uplift in demand for consumer goods while also enables ASEAN to be one of the most attractive regions for foreign investment with domestic consumption which accounted for roughly 60% of GDP, coupled with a growing young middle-class income population group.

For the regional packaging paper industry, China has continuously increased its import volume of packaging paper after the country's reopening in early 2023 with import tariff exemption of recycled-based packaging paper throughout last year while the continuation of exemption in 2024 was already announced. Meanwhile, ASEAN export paper prices has already passed the bottom in 2023 and expected to pick up in 2024 along with sequential demand improvement in the region.

Cost Outlook

In early 2024, recovered paper prices are expected to move sideways up as local and regional paper mills restock inventory to serve rising demand in the region. Meanwhile, SCGP continues to enhance its competitive advantage with completion of the facility expansion and relocation project of its international recycling business in the Netherlands which is located near Rotterdam Port. This is one of the important pillars for SCGP's long term strategic direction to strengthen RCP sourcing competitiveness while also fulfill emerging demand of recycled materials.

Meanwhile, volatility in energy and freight costs are expected to continue amid geopolitical issues in the Middle East and Europe. Therefore, SCGP emphasizes on cost management efforts, including the incremental usage of alternative fuels, such as biomass from agricultural waste and woodchip, to reduce reliance on coal consumption and also improve production cost. Additionally, the Company aims to accelerate operational excellence effort by utilizing Artificial Intelligence (AI) for energy and production optimization throughout its regional operations. These initiatives not only reduce greenhouse gas emissions but also result in a reduction in overall energy costs.

Growth Strategy

SCGP continues to pursue quality growth and extend its leadership position as packaging solutions provider in ASEAN. This objective is achieved through a unique

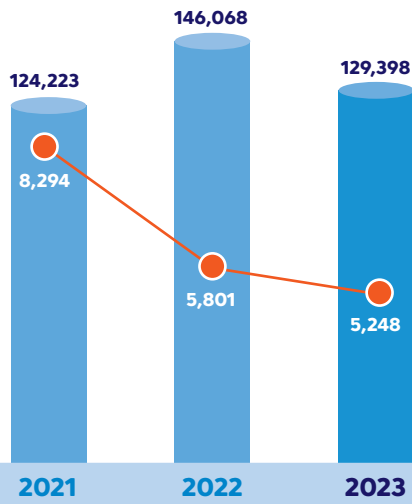
two-pronged approaches, organic expansion and programmatic M&P, that emphasize strategic fit and enable value-accretion to overall business model. Apart from expansion which strengthen value chain integration, the company focuses on identifying new frontiers of growth including in medical-related industries, bio-solutions, and global foodservices. This approach not only enhances SCGP's market presence but also generates value-accretive synergy across its various operations. By strategically pursuing these avenues, SCGP aims to capitalize on emerging opportunities and solidify its position as a leading packaging player in the industry.

Research, Development and Innovation (RD&I) are key to the fulfilments of evolving and emerging customers' requirements that shift toward being more environmentally friendly. The Company is committed to providing high-quality innovative packaging products, services, and solutions that will enhance value to customers. With a dedicated RD&I, consists of over 40 Ph.D. researchers, SCGPs' packaging solutions' revenue and innovation have been increased to approximately 35% of total sales at the end of 2023.

ESG (Environmental, Social and Governance) continues to be a crucial core of SCGP's business operations, particularly in areas such as greenhouse gas reduction. The Company has an explicit Science-Based Targets initiative (SBTi) goal to reduce GHG emission by 25% within 2030 compared with the base year 2020, while SCGP also set Net Zero target by 2050. In addition, SCGP emphasizes on the development of sustainable products by expanding its range of recyclable, reusable, or compostable packaging with the aim of reaching 100% of sales volume by 2025. These initiatives showcase SCGP's commitment to environmental sustainability and responsible business practices.

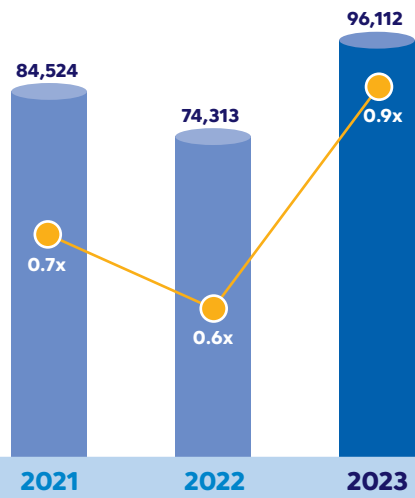
Furthermore, SCGP prioritizes extensive leadership development as part of its commitment to people caring and continuous development of employees' capabilities. This includes a systematic approach to engage employees across all operations and ensure they have the skills and capabilities to overcome new challenges. This is part of SCGPs' recognitions on fast-paced and evolving consumers' demand & lifestyle in a dynamic environment. The Company actively prepares its business operations in 10 countries to meet these changes effectively.

Revenue from Sales and Profit for the Year



● Revenue from Sales (Baht million) —●— Profit for the year* (Baht million)

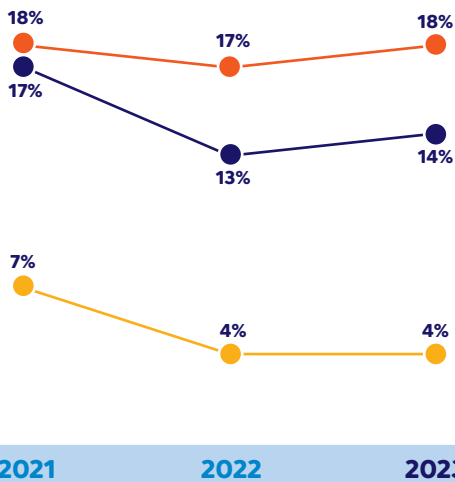
Total Liabilities and Debt to Equity Ratio



● Total Liabilities (Baht million) —●— Debt to Equity (Times)

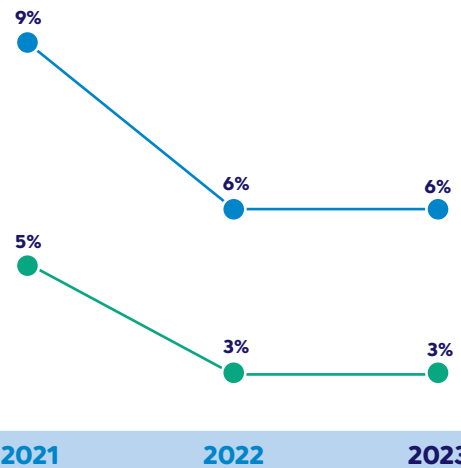
*Attributable to owners of the Company

Profitability Margin



—●— Gross Profit Margin (%)
 —●— EBITDA Margin (%)
 —●— Net Profit Margin (%)

Return on Equity and Return on Total Assets



—●— Return on Equity (%)
 —●— Return on Total Assets (%)

Summary of Financial Information (compared to the past 3 years)

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

As at 31 December 2023, 2022 and 2021

Unit : Baht million

Assets	2023	%	2022	%	2021	%
Current assets						
Cash and cash equivalents	9,889	5.0	9,966	5.1	7,310	3.5
Short-term investments	7,292	3.7	2,378	1.2	12,912	6.2
Trade and other current receivables	22,648	11.4	23,254	11.8	24,910	12.0
Advance payment for assets	683	0.3	813	0.4	571	0.3
Inventories	19,253	9.7	23,281	11.8	23,308	11.3
Other current assets	507	0.3	462	0.2	175	0.1
Total current assets	60,272	30.4	60,154	30.5	69,186	33.4
Non-current assets						
Investments in associates	1,063	0.5	1,034	0.5	873	0.4
Other non-current receivables	1,419	0.7	742	0.4	741	0.4
Investment property	115	0.1	142	0.1	138	0.1
Property, plant and equipment	94,279	47.5	94,585	47.9	97,181	47.0
Goodwill	29,374	14.8	28,233	14.3	29,483	14.3
Other intangible assets	10,051	5.1	10,574	5.4	7,750	3.7
Deferred tax assets	1,036	0.5	852	0.4	921	0.4
Others non-current assets	952	0.4	964	0.5	551	0.3
Total non-current assets	138,289	69.6	137,126	69.5	137,638	66.6
Total assets	198,561	100.0	197,280	100.0	206,824	100.0

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

As at 31 December 2023, 2022 and 2021

Unit : Baht million

Liabilities and shareholders' equity	2023	%	2022	%	2021	%
Current liabilities						
Bank overdrafts and short-term borrowings from financial institutions	15,337	7.7	16,155	8.2	30,547	14.8
Trade and other current payables	14,808	7.5	14,282	7.2	15,261	7.4
Current portion of long-term borrowings from financial institutions	6,493	3.3	1,571	0.8	1,865	0.9
Current portion of lease liabilities	668	0.3	587	0.3	477	0.2
Current portion of debentures	5,498	2.8	-	-	-	-
Corporate income tax payable	1,062	0.5	573	0.3	609	0.3
Liabilities related to put options	22,313	11.2	-	-	-	-
Other current liabilities	212	0.1	311	0.2	3,217	1.6
Total current liabilities	66,391	33.4	33,479	17.0	51,976	25.2
Non-current liabilities						
Long-term borrowings from financial institutions	8,034	4.0	14,450	7.3	16,671	8.1
Lease liabilities	3,090	1.6	1,921	1.0	1,718	0.8
Debentures	9,993	5.0	15,485	7.8	5,493	2.7
Deferred tax liabilities	4,886	2.5	5,322	2.7	4,492	2.2
Non-current provisions for employee benefits	3,629	1.9	3,596	1.9	3,878	1.8
Other non-current liabilities	89	-	60	-	296	0.1
Total non-current liabilities	29,721	15.0	40,834	20.7	32,548	15.7
Total liabilities	96,112	48.4	74,313	37.7	84,524	40.9
Shareholders' equity						
Share capital						
Authorized share capital - Ordinary share	4,500		4,500		4,500	
Issued and paid share capital - Ordinary share	4,293	2.2	4,293	2.2	4,293	2.1
Share premium	40,860	20.6	40,860	20.7	40,860	19.8
Other deficits	(1,445)	(0.7)	(1,445)	(0.7)	(1,445)	(0.7)
Retained earnings						
Appropriated - Legal reserve	450	0.2	450	0.2	450	0.2
- General reserve	3	-	3	-	3	-
Unappropriated	57,993	29.2	55,270	28.0	52,106	25.1
Other equity interest	(23,204)	(11.7)	-	-	-	-
Other components of shareholders' equity	(1,628)	(0.9)	(2,230)	(1.1)	570	0.3
Total equity attributable to owners of the Company	77,322	38.9	97,201	49.3	96,837	46.8
Non-controlling interests	25,127	12.7	25,766	13.0	25,463	12.3
Total shareholders' equity	102,449	51.6	122,967	62.3	122,300	59.1
Total liabilities and shareholders' equity	198,561	100.0	197,280	100.0	206,824	100.0

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated income statement

For the years ended 31 December 2023, 2022 and 2021

Unit : Baht million

	2023	%	2022	%	2021	%
Revenue from sales	129,398	100.0	146,068	100.0	124,223	100.0
Cost of sales	(106,274)	(82.1)	(121,791)	(83.4)	(101,345)	(81.6)
Gross profit	23,124	17.9	24,277	16.6	22,878	18.4
Gain on exchange rate	80	-	143	0.1	317	0.3
Other income	1,043	0.8	1,321	0.9	2,215	1.8
Profit before expenses	24,247	18.7	25,741	17.6	25,410	20.5
Distribution costs	(8,701)	(6.7)	(9,351)	(6.4)	(6,820)	(5.5)
Administrative expenses	(6,983)	(5.4)	(6,688)	(4.6)	(5,755)	(4.6)
Total expenses	(15,684)	(12.1)	(16,039)	(11.0)	(12,575)	(10.1)
Profit from operations	8,563	6.6	9,702	6.6	12,835	10.4
Finance costs	(2,020)	(1.5)	(1,468)	(0.9)	(1,180)	(0.9)
Share of profit of associates accounted for using equity method	39	-	55	-	57	-
Profit before income tax	6,582	5.1	8,289	5.7	11,712	9.5
Tax expense	(1,153)	(0.9)	(1,550)	(1.1)	(2,065)	(1.7)
Profit for the year	5,429	4.2	6,739	4.6	9,647	7.8
Profit attributable to						
Owners of the Company	5,248	4.1	5,801	4.0	8,294	6.7
Non-controlling interests	181	0.1	938	0.6	1,353	1.1
	5,429	4.2	6,739	4.6	9,647	7.8
Basic earnings per share (in Baht) Attributable to owners of the Company	1.22		1.35		1.93	

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

For the years ended 31 December 2023, 2022 and 2021

Unit : Baht million

	2023	2022	2021
Profit for the year	5,429	6,739	9,647
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating financial statement	358	(3,380)	5,005
Items that will not be reclassified subsequently to profit or loss			
Gain on investments in equity instruments measured at fair value	-	5	2
Gain on remeasurements of defined benefit plans	90	273	137
Share of other comprehensive income of associates accounted for using equity method	(1)	3	8
Income tax relating to items that will not be reclassified subsequently to profit or loss	(20)	(63)	(26)
Total items that will not be reclassified subsequently to profit or loss	69	218	121
Other comprehensive income for the year, net of tax	427	(3,162)	5,126
Total comprehensive income for the year	5,856	3,577	14,773
Total comprehensive income attributable to			
Owners of the Company	5,901	3,153	12,100
Non-controlling interests	(45)	424	2,673
	5,856	3,577	14,773

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

For the years ended 31 December 2023, 2022 and 2021

Unit : Baht million

	2023	2022	2021
Cash flows from operating activities			
Profit for the year	5,429	6,739	9,647
Adjustments for			
Tax expense	1,153	1,550	2,065
Depreciation and amortization	9,206	9,700	8,315
Expected credit loss (reversal)	6	12	(59)
Loss on inventories devaluation (reversal)	(94)	170	90
Non-current provisions for employee benefit expense	376	217	370
Gain on foreign currency exchange	(52)	(120)	(209)
Share of profit of associates accounted for using equity method	(39)	(55)	(57)
Interest income	(377)	(197)	(197)
Finance costs	2,020	1,468	1,180
Loss on impairment of assets (reversal)	21	(8)	132
Gain on fair value adjustment and others	(132)	(153)	(1,405)
Cash flows generated from operations before changes in operating assets and liabilities	17,517	19,323	19,872
Decrease (increase) in operating assets			
Trade and other receivables	881	3,235	(4,903)
Inventories	4,309	(406)	(6,882)
Other assets	(184)	(148)	(209)
Net decrease (increase) in operating assets	5,006	2,681	(11,994)

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

For the years ended 31 December 2023, 2022 and 2021

Unit : Baht million

	2023	2022	2021
Increase (decrease) in operating liabilities			
Trade and other payables	603	(2,631)	2,224
Non-current provisions for employee benefits	(263)	(252)	(185)
Other liabilities	1	(125)	(169)
Net increase (decrease) in operating liabilities	341	(3,008)	1,870
Net cash flows generated from operations	22,864	18,996	9,748
Income tax paid	(1,382)	(1,762)	(2,247)
Net cash flows provided by operating activities	21,482	17,234	7,501
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	(1,303)	(7,026)	(13,779)
Acquisition of interests in associates	-	(44)	-
Proceeds from sale of short-term investments	764	12,475	1,407
Acquisition of short-term investments	(5,585)	(1,711)	(12,445)
Proceeds from sale of property, plant and equipment	66	167	21
Acquisition of property, plant and equipment	(7,124)	(6,862)	(6,191)
Acquisition of other intangible assets	(259)	(324)	(224)
Proceeds from short-term loans to related parties	-	-	7
Dividends received	9	11	14
Interest received	372	195	194
Net cash flows used in investing activities	(13,060)	(3,119)	(30,996)

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

For the years ended 31 December 2023, 2022 and 2021

Unit : Baht million

	2023	2022	2021
Cash flows from financing activities			
Proceeds from changes in ownership interests in subsidiaries that do not result in a loss of control	11	650	-
Payments of changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	(1,410)
Proceeds from (payments of) borrowings			
Proceeds from (payments of) bank overdrafts and short-term borrowings - net	(799)	(14,047)	12,454
Proceeds from long-term borrowings	135	-	5,000
Payments of long-term borrowings	(1,615)	(2,580)	(17,335)
Payments of lease liabilities	(745)	(626)	(549)
Proceeds from issuance of debentures	-	10,000	5,500
Net increase (decrease) in borrowings	(3,024)	(7,253)	5,070
Dividends paid			
Dividends paid to owners of the Company	(2,575)	(2,790)	(3,004)
Dividends paid to non-controlling interests	(711)	(822)	(518)
Total dividends paid	(3,286)	(3,612)	(3,522)
Interest and other finance costs paid	(2,067)	(1,387)	(1,180)
Net cash flows used in financing activities	(8,366)	(11,602)	(1,042)
Net increase (decrease) in cash and cash equivalents	56	2,513	(24,537)
Effect of exchange rate changes on cash and cash equivalents	(133)	143	591
Cash and cash equivalents at beginning of the year	9,966	7,310	31,256
Cash and cash equivalents at end of the year	9,889	9,966	7,310
Supplementary information for cash flows			
Non-cash from investing and financing transactions at end of the year			
Account payables from purchase of assets	459	609	517
Accrued investments	509	491	3,665
Liabilities related to put options	22,313	-	-

Financial Ratios of SCG Packaging Public Company Limited and its Subsidiaries

		Consolidated Financial Statements		
		2023	2022	2021
Liquidity Ratio				
Current Ratio	(Times)	0.91	1.80	1.33
Quick Ratio	(Times)	0.56	0.98	0.82
Cash Flow Liquidity	(Times)	0.43	0.40	0.16
Account Receivable Turnover	(Times)	6.34	6.76	6.69
Collection Period	(Days)	58	54	55
Inventory Turnover	(Times)	15.91	18.85	22.03
Inventory Turnover Period	(Days)	23	19	17
Account Payable Turnover	(Times)	9.61	10.83	10.48
Payment Period	(Days)	38	34	35
Cash Cycle	(Days)	43	39	37
Profitability Ratio				
Gross Profit Margin	(%)	17.87	16.62	18.42
EBITDA Margin	(%)	13.73	13.28	17.03
Net Profit Margin	(%)	4.06	3.97	6.68
Return on Equity	(%)	6.01	5.98	8.94
Efficiency Ratio				
Return on Total Assets	(%)	2.74	3.34	5.09
Return on Fixed Assets	(%)	14.59	16.28	19.05
Assets Turnover	(Times)	0.66	0.73	0.67
Financial Policy Ratio				
Debt to Equity	(Times)	0.94	0.60	0.69
Interest-bearing Debt to Equity	(Times)	0.48	0.41	0.46
Interest Coverage Ratio	(Times)	8.80	13.22	17.92
Debt Service Coverage Ratio	(Times)	0.79	1.06	0.64
Interest-bearing Debt to EBITDA	(Times)	2.76	2.59	2.68
Net Debt to EBITDA	(Times)	1.80	1.95	1.73
Dividend Payout Ratio	(%)	44.99	44.40	33.64



Remarks :

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





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**General Information
and Other Material Facts**



General Information and Other Material Facts

Registrar

Thailand Securities Depository Company Limited

1st Floor, The Stock Exchange of Thailand Building,
93 Ratchadaphisek Road, Din Daeng, Bangkok 10400
Tel : +66 2009 9000
Fax : +66 2009 9991

Registrar of Debenture (SCGP24DA and SCGP26DA)

Bank of Ayudhya Public Company Limited

1222 Rama III Road, Bang Phongphang, Yannawa,
Bangkok 10120
Tel : +66 2296 5999

Registrar of Digital Debenture (SCGP256A)

Krungthai Bank Public Company Limited

Head Office,
35 Sukhumvit Road, Klong Toey Nua Subdistrict,
Wattana District, Bangkok 10110
Tel : +66 2298 0830-31 or +66 2111 1111

Debenture Holders' Representative (SCGP24DA)

Bangkok Bank Public Company Limited

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

Debenture Holders' Representative (SCGP26DA)

Bank of Ayudhya Public Company Limited

Securities Services Marketing Department
1222 Rama III Rd, Bang Phongphang, Yannawa,
Bangkok 10120
Tel : +66 2296 4808 or +66 2296 5557
or +66 2296 2000 ext. 50544

Digital Debenture Holders' Representative (SCGP256A)

Krungthai Bank Public Company Limited

Capital Market Service Department
977/2 SM Tower, 3rd Floor, Phahonyothin Road,
Phaya Thai Subdistrict, Phaya Thai District, Bangkok 10400
Tel : +66 2298 0828 ext. 111

Auditor

KPMG Phoomchai Audit Ltd.

By Ms. Sureerat Thongarunsang
(Certified Public Accountant Registration No. 4409); or
Ms. Pornthip Rimdusit
(Certified Public Accountant Registration No. 5565); or
Mr. Songchai Wongpiriyaporn
(Certified Public Accountant Registration No. 10996)
50th Floor, Empire Tower, 1 South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Tel : +66 2677 2000

Legal Advisor

SCG Legal Counsel Limited

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

Legal Disputes

As of 31 December 2023, SCGP and its subsidiaries were not involved in any litigation or legal action, and were not a party in any dispute that was not yet resolved, that SCGP believed could negatively impact the assets of SCGP and its subsidiaries at an amount higher than 5% of shareholders' equity presented in the consolidated financial statements as of 31 December 2023, or that could significantly affect business operations of SCGP or its subsidiaries. However, the amount could be determined; and they were not involved in any other cases that were outside normal business operations by the Company and its subsidiaries. However, they may occasionally be involved in legal proceedings or be a party in litigation related to normal business operations of SCGP and its subsidiaries.

Secondary Market

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

Financial Institutions (For Debt Instruments)

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



Corporate Governance



Corporate Governance

Corporate Governance Policy

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

The Board of Directors, executives and employees recognize that their roles, duties, and responsibilities are to increase SCGP's competitiveness and build trust among shareholders, investors, and other related parties. The Board, performing its leadership roles, has adopted the Corporate Governance Code (CG Code) recommended by the Office of the Securities and Exchange Commission for listed companies in 2017 and applied it to SCGP's business context to ensure sustainable benefit and value

for SCGP. The Board also determined that an agenda to review SCGP's corporate governance policies and charters should be considered at least once a year, to maximize the efficiency and raise the standard of SCGP's corporate governance to be in line with the CG Code and other local and international good practices regularly. Furthermore, the performance appraisal of the Board of Directors must be carried out under the CG Code principle.

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



Overview of Corporate Governance Policies and Practices

The Board of Directors has established policies related to Corporate Governance and SCGP's Code of Conduct in compliance with SCGP's visions of sustainable business operation. The distribution of policies was made through the SCG Packaging Corporate Governance Handbook to ensure clear understanding by the Board of Directors, executives and employees and uniform implementation in all SCGP's divisions and subsidiaries, both domestic and international. The contents of the SCG Packaging's Corporate Governance Handbook are as follows :

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

*Adjusted in 2023

The SCG Packaging Corporate Governance Handbook is available on SCGP's website (www.SCGPackaging.com).

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

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

The Board of Directors has established SCGP's values, Code of Conduct and Corporate Governance structure and policies as guidelines on fair, transparent operation and management for its directors, executives, employees of SCGP and its subsidiaries. Compliance with these guidelines may generate returns, increase long-term values for the shareholders, ensure the trust of all stakeholders, and promote SCGP's competitiveness and sustainable growth. The essences are as follows :

1.1 SCG Packaging's Core Values

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

1.2 SCG Packaging's Code of Conduct

The Board of Directors has established SCGP's Code of Conduct, and all employees of SCGP and its subsidiaries are obliged to observe the principles and guidelines set forth in the Code of Conduct, with the Board of Directors serving as role models. They shall also act as good citizens of the countries in which SCGP operates business to ensure utmost value and benefits for SCGP.

1.3 SCG Packaging's Corporate Governance Structure

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

1.4 SCG Packaging's Corporate Governance Policy

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

Part 2 : SCGP's Corporate Governance Policies and Practices

The Board of Directors has devised corporate governance policies and practices for directors and executives. The policies cover how to manage the organization and work with key stakeholders. SCGP regularly reviews and updates policies and practices, 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 Practices for Directors and Executives

This section presents the policies and practices related to the Board of Directors, the Chairman of the Board, the Chief Executive Officer and top executives. The covered policies and practices include the Charters for the Board of Directors and all sub-committees, Independent Directors' Qualifications, Policy on Qualification and Nomination of Company Directors, Scope of Duties and Responsibilities of the Chief Executive Officer, and Policy and Guidelines on the Chief Executive Officer and Top Executives Directorships in Organizations Outside SCGP.

2.1.1 Charter of the Board of Directors

In line with the eight 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** - Manage the business of SCGP and its subsidiaries to maximize benefits for SCGP, subsidiaries and shareholders. In conjunction with the management, the Board must annually review and approve the vision, mission and business strategies by reinforcing ethics and impacts on the environment and society. They shall also comply responsibly, cautiously and honestly with laws, Articles of Association, and resolutions of the shareholders' meeting.
- (2) **Define SCGP's objectives and main goals that promote sustainable value creation** - Define the main operational plans, budgets, goals and operational policies to increase global competitiveness, as well as supervise administration and management to ensure compliance with policies, action plans, budgets and goals.

- (3) **Strengthen the Board of Directors' effectiveness** - Determine and review the Board's structure so that it is suitable for SCGP's business operations. The Board must also have transparent processes for recruiting and electing the directors, determine compensation for Board and sub-committee members, and establish governance mechanisms for subsidiaries and associates. It must also put in place structures to conduct an annual performance appraisal of the Board and continuously develop directors' competencies.
- (4) **Recruit and develop top executives and people management** - Consider the organizational structure, top executives' development plan and the Chief Executive Officer's succession plan. The top executives' performance should also be evaluated annually.
- (5) **Nurture innovation and responsible business** - Supervise and support 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** - Establish a 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 the principles of Corporate Governance, Code of Conduct and policies. It must also ensure that SCGP and its subsidiaries have appropriate internal audit and internal control systems, and provide a process to assess the appropriateness of SCGP and its subsidiaries' internal control system regularly to cut the risk of corruption and abuse of power and to prevent illegal acts.
- (7) **Ensure disclosure and financial integrity** - Instruct SCGP and its subsidiaries to put in place an accounting system and perform financial reporting and financial statement reviews in line with applicable regulations and practices. The Board shall also facilitate the disclosure of appropriate information to stakeholders, persons having a conflict of interest and any related persons, as well as properly disclose important information to shareholders in the financial statements and various reports.

- (8) **Ensure engagement and communication with shareholders** - Ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters of SCGP and its subsidiaries. Also, the Board should ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and offer shareholders the ability to effectively exercise their rights. Accurate and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings should be achieved. The rights of all shareholders, both major and minor shareholders, as well as stakeholders of all parties, must be respected through an inclusive, equitable and transparent treatment.

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

Roles and Duties of the Chairman

The Chairman of the Board's key role is to support the Board of Directors to perform its duties efficiently. His responsibilities include determining the agenda for every Board of Directors meeting with the Chief Executive Officer, and ensuring that the directors receive correct, complete and clear information before the meeting. The Chairman must also lead both the Board and shareholders' meetings. The Chairman must support and be a role model for corporate governance and ethics, strengthen the relationship between SCGP's board members and management, and support the Chief Executive Officer and management team in following SCGP's policies. In addition, they must supervise disclosures of information and the performance of the Board, sub-committees, and each director to ensure efficiency and effectiveness.

Composition of the Board of Directors and Qualifications of the Directors

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

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

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

Terms of Service

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

Board of Directors Meetings and Quorum

The Board of Directors meeting must be held at least once every three months, and not less than six times per year. In a month with no meeting, the management shall report operating results to the Board of Directors so that they can supervise the management's performance regularly and on time. There should be a meeting between non-executive directors (without the management) held as regularly as necessary. Each meeting should be participated by at least 80% of the directors. Each director should attend at least 75% of the meetings held throughout the year. Supporting documents for a meeting should be submitted to the Board of Directors at least five business days before a meeting takes place.

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

Approval Authority of the Board of Directors

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

Remuneration

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

2.1.2 Charter of the Audit Committee

The Audit Committee is responsible for overseeing risk management, compliance, and internal control. The efforts may include the review of financial reporting systems and disclosures of financial information in financial statements to ensure they meet the standards and financial reporting requirements. The Audit must also take into consideration connected transactions, asset acquisitions and dispositions, or transactions which may lead to conflicts of interest for SCGP and its subsidiaries. In addition, the committee should review and ensure that the risk management system and the procedures for control, implementation and compliance monitoring are put in place. Internal control and internal audit systems should be reviewed to verify their appropriateness and efficiency. The committee should review the anti-corruption system to ensure its effectiveness in line with the guidelines of regulatory agencies, provide suggestions and supervise anti-corruption policy compliance. Moreover, they must follow up on the performance of ESG operations. Regarding auditor-related tasks, the Audit Committee should be responsible for the selection, nomination, and determination of the SCGP's auditors and the vendors other than those offering audit, review, or assurance services, as well as the proposal of auditors' remuneration. The committee should hold meetings with the Audit Office and approve operation, budget and workforce plans of the Internal Audit Office. The approval of the Director of Internal Audit Office appointment, appraisal, removal, transfer and termination is also one of the committee's duties.

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

2.1.3 Charter of the Corporate Governance and Nomination Committee

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

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

2.1.4 Charter of the Remuneration Committee

The Remuneration Committee proposes the remuneration guidelines, payment methods (both monetary and non-monetary), and other benefits for SCGP's executives in accordance with their missions, duties, responsibilities and qualifications. The Committee appraises the performance of top executives individually and proposes the remuneration to the Board of Directors every year. Their duties, responsibilities and any risks related to increasing the value of shareholders' long-term equity are considered. The Remuneration

Committee establishes the succession plan for the Chief Executive Officer and SCGP's top executives.

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

2.1.5 Composition, Duties and Responsibilities of the ESG Committee

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

The ESG Committee's key responsibilities include establishing policies and supervising business operations to ensure compliance with the UN Sustainable Development Goals (UN-SDGs) guidelines. Also, they should ensure the adoption of Environmental, Social and Governance (ESG) guidelines that align with key stakeholders' expectations to present SCGP as a good role model for sustainable development both regionally and internationally. The Committee also encourages the linkage and inclusion of ESG materiality into the business strategy to bring about value and sustainability for the organization and the community.

2.1.6 Composition, Duties and Responsibilities of the Risk Management Committee

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

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

2.1.7 Independent Director's Qualifications

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

2.1.8 Policy on Qualification and Nomination of Company Directors

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

The Board of Directors has assigned the Corporate Governance and Nomination Committee to recruit persons with skills, experience, knowledge and expertise that benefit SCGP and can replace directors who retire by rotation or for other reasons. The Corporate Governance and Nomination Committee proposes candidates to the Board of Directors and/or at the shareholders' meeting for election. The qualification criterion for directors includes ethics and responsibility, rationality in decision-making based on data, independence in opinion expression, time dedication, professionalism in adherence to principles and standards, competency and ability to use expertise to help the Board formulate strategies and policies as well as support the implementation of strategies.

All of the above should be considered based on the Board Skills Matrix approved by the Board of Directors. To propose a renewed term for a pre-existing director, the Board's assessment shall include the past performance and time dedication in that director's tenure.

The Corporate Governance and Nomination Committee uses several channels to recruit directors including inviting shareholders to nominate qualified persons and considering the list of chartered directors of the Institute of Thai Directors, and the list of directors of listed companies whose qualifications are consistent with SCGP's Board Skills Matrix.

2.1.9 Scope of Duties and Responsibilities of the Chief Executive Officer

The Board of Directors has a resolution on the determination of the Chief Executive Officer's duties and responsibilities which may ensure the clear allocation of directors' and management's scope of work. The Chief Executive Officer's duties are to, in cooperation with the Board of Directors, define the business's vision, mission, strategies, operating plans, budgets, goals and policies. The Chief Executive Officer should communicate the aforementioned information with the management in order to provide a framework for planning and management tasks. Also, the Chief Executive Officer should oversight the management's duties to ensure compliance with the business plan, budget, goals and policies that have been approved by the Board of Directors. In addition, the Chief Executive Officer has the authority to set regulations for hires, relocations, discharges, dismissals and compensation of employees that hold positions that are not within the authority of the Board or sub-committees. The Chief Executive Officer can also approve investment project budgets, procurements, finances, etc., within limits specified in the Delegation of Authority Manual approved by the Board of Directors.

In terms of management, the Chief Executive Officer must oversee the management of finances, marketing, production, human resources, risks and internal control systems as well as other operational aspects of SCGP and its subsidiaries to make sure they comply with SCGP's policies, the business plan, laws, objectives, Articles of Association, and resolutions from the Board of Directors and shareholders' meetings. This ensures that operations are carried out in good faith, with care, prudence and integrity to preserve the highest interests of SCGP and fairness towards all parties involved. In addition, the Chief Executive Officer must develop and improve SCGP and its subsidiaries' operations, and support innovation that adds value and makes the organization grow sustainably according to its

strategic plan. They must also take a supervisory role to ensure that the management contributes to fostering an ethical corporate culture and practices good corporate governance. Also, the Chief Executive Officer must follow up on SCGP, its subsidiaries and/or associates' performance assessments (scheduled regularly), and supervise the preparation of financial reports and disclosures – all important information must be correct, adequate, timely and in accordance with relevant rules and practices.

2.1.10 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 and other companies that SCGP invests in if they are public or private organizations established for public interest, or private organizations established for trading purposes, but does not present a conflict of interest with SCGP, and does not take up too much of the director's time to the extent that it is disadvantageous for SCGP. In addition, it must not be an organization established for the benefit of political parties.

2.2 Corporate Management Policies and Practices

In this section, the policies and guidelines concern organizational operations across areas. They serve to ensure that the operations are effective and consistent with good corporate governance. Listed below are the details :

2.2.1 Charter of the Internal Audit Office

The Audit Committee is responsible for oversight, risk management, compliance, internal control, inspection of working procedures to comply with good governance, assessment of internal control to ensure that SCGP deploys appropriate and adequate internal control, prevention of material damage as guided by the internal control framework of COSO 2013. The Committee also provides recommendations on establishing preventive measures and guidelines and reviews self-assessment regarding anti-corruption measures to align with regulatory agencies' guidelines. The Internal Audit Director has the duty to roll out and control a system to monitor audit results, build a preventive system and report summarized audit results to the Audit Committee.

2.2.2 Sustainable Development Policy

SCGP operates its business according to sustainable development guidelines by considering risks and opportunities for improvement at all levels of the

organization. This is done with both the short and long-term needs and expectations of stakeholders in mind and takes into account the impact on society and the environment. It also draws on information to help formulate business strategies and enable businesses to grow sustainably in rapidly changing situations by balancing economic, social and environmental aspects.

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

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

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

2.2.3 Compliance Policy

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

2.2.4 Anti-corruption Policy

The Board of Directors has assigned the Corporate Governance and Nomination Committee to ensure the enforcement of a clear-cut Anti-corruption Policy that is suitable for the operation. The Audit Committee shall provide some advice and follow up on compliance with the Anti-corruption Policy. SCGP ensures that the communication covers all internal functions and third parties so that concrete actions are achieved. This is to ensure that all business decisions and actions that could pose a risk of corruption are carefully considered before being implemented. No corruption is tolerated at SCGP. Employees must strictly follow the Anti-corruption Policy and shall not conduct or accept any form of corruption, either directly or indirectly. This covers all businesses in every country and all related departments. The Anti-corruption Policy's implementation is regularly reviewed.

The review covers any guidelines it contains to make sure they comply with changing business, regulatory and legal requirements. The Risk Management Committee prepares risk assessments related to potential corruption. The Internal Audit Office must put together proper and efficient inspection processes and internal control systems involving procedures, finance, accounting, information storage and other issues. A regular review of such processes and systems is required. The Director of the Internal Audit Office shall prepare corruption-focused risk assessments, provide advice on initiating the measures and guidelines of corruption-related risk prevention, and present them to the Audit Committee and the Board of Directors. The Director is also responsible for auditing and verifying that the operations are correct and in accordance with policies, practices, the Delegation of Authority Manual, guidelines, laws and regulatory requirements. This shall ensure that the control system is appropriate, cautious 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), and the Notification of Capital Market Supervisory Board Tor Jor. 21/2551 regarding Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand's Board of Governors (Bor Jor/Por 22- 01) re : Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003). SCGP also follows good corporate governance principles for listed companies of the Stock Exchange of Thailand and the Securities and Exchange Commission. Conducting a connected transaction must be approved by the management, the Board of Directors or the Shareholders' meeting based on the size of said connected transaction.

2.2.6 Prevention of Conflicts of Interest Policy

The Board of Directors has put in force the policy to prevent any conflicts of interest. The SCGP has established guidelines, prohibitions, and various considerations for directors, executives and employees to understand how to implement the policy. In this, directors and executives shall disclose and submit their own and related persons' stakes information to the Company Secretary. They shall be submitted to the Chairman and the Audit Committee's Chairperson for inspection within seven business days after the day the report is received. The aim is to acknowledge in a timely manner the relations and transactions with

SCGP and subsidiaries that could pose a conflict of interest before a transaction. This ensures that the SCGP can oversee and tackle a potential conflict of interest between SCGP and its subsidiaries and directors, executives or stakeholders; avoid misuse of assets, information and opportunities of SCGP and subsidiaries; and prevent a transaction with a person connected to SCGP and subsidiaries that are not consistent with the Connected Transaction Policy.

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

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

2.2.7 Antitrust Policy

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

2.2.8 Whistleblowing Policy

SCGP has established a system to receive complaints and take action if there is an indication of a violation of the law, regulations, the Articles of Associations and the Code of Conduct, or behavior by SCGP employees that is conducive to corruption. SCGP provides 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 complaints and carry out whistleblowing through the intranet portal system and select the person who should receive their complaint - their supervisor, the HR Director, the Director of the Internal Audit Office, the Company Secretary, the Secretary to the Board of Directors or any member of the Board of Directors. Outsiders can make complaints through SCGP's website (www.SCGPackaging.com) and select the recipient of their complaint - the Corporate Secretary Office, the Internal Audit Office, the Independent Directors, and the Audit Committee. A written letter of complaint can also be submitted to the aforementioned recipients.

2.2.9 Policy on Investment in Subsidiaries and Associates

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

2.2.10 Policy on Governance and Management of Subsidiaries and Affiliates Operating Core Business

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

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

Directors and executives of subsidiaries or associated companies, appointed or nominated by SCGP, are responsible for ensuring that the agreement or approval of SCGP's Board of Directors or shareholders meeting is acquired, as the case may be, before the subsidiary or associated company under their

management is directed, as per the Delegation of Authority Manual or its Articles of Association, to enter into transactions or undertake material activities which are significant to the financial status and operating results of such subsidiary or associated company.

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 the Enterprise Risk Management Framework that is in line with international standards and includes a process for determining strategies, risk management structure and accountabilities, and the risk management process. This framework also aims to create a risk management culture at SCGP.

2.2.12 Disclosure Policy

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

2.2.13 Insider Information Management and IT Governance Policy

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

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

In addition, when the aforementioned individuals intend to engage in transactions related to the Company's securities, they are responsible for notifying the Company Secretary in advance via telephone, email, or any other methods, at least one business day prior to the transaction. They are also responsible for reporting the holding and changes in holding of securities and forward contracts to the Company Secretary before submitting them to the Office of the Securities and Exchange Commission (SEC), within three business days from the date of purchase, sale, transfer, or receipt of securities or forward contracts. They are also responsible for the storage and protection of internal information.

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

2.2.14 Human Rights Policy

SCGP's Board of Directors, executives and employees at all levels must recognize the importance of and respect human rights for all people, the community and society. They must also comply with the country's laws and international requirements in relevant binding treaties. These include principles on the equal treatment of people – free from discrimination or violations – and promoting compliance with human rights requirements throughout the business value chain. Similarly, there

are advanced and efficient whistleblowing channels and the process to escalate the report to a higher level of authority. SCGP will take corrective action or consider disciplinary action in accordance with SCGP's regulations and can be subject to legal action if such action is illegal. Furthermore, SCGP is determined to communicate, report and disclose information on human rights operations, mitigation and remedies, and incidents of discrimination and harassment to the public in a complete and transparent manner.

2.2.15 Diversity and Inclusion Policy

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

2.2.16 SCGP Privacy Policy

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

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

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

2.2.17 Tax Policy

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

2.2.18 Intellectual Property Policy

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

2.2.19 Investor Relations Code of Conduct

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

2.3 Policies and Guidelines for Key Stakeholders

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

2.3.1 Stakeholders Engagement Policy

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

1) Policy and Practice Towards Shareholders

As SCGP gives priority to shareholders, SCGP's directors, executives and employees must operate the 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 receive clear details about the shareholders' meeting before decisions are made. The directors, executives 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 an efficient, fair selection process and employment conditions, 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 and cultivates and promotes awareness of health and safety in the workplace. SCGP operates based on the occupational health, safety and environmental management system that is in line with international standards. This includes providing a channel for disclosures of important information to employees. This is done so employees have an understanding of business operations and business performance of SCGP and its 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 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 satisfaction by focusing on quality, fair prices, as well as developing and maintaining lasting relationships. SCGP strives to deliver products and services that meet the needs of consumers and the people around them. It promotes a good quality of life, sustainable social growth, innovation, research and development for high-value products and services that meet customer needs. SCGP also develops products and services that are environmentally friendly by using fewer resources, saving energy, reusing where possible and ensuring durability. SCGP produces safe products and services which are not harmful to customers' health and can be trusted. SCGP aims to provide correct and sufficient information to consumers and keep 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 a department that is responsible for providing product recommendations, advice and solutions, and receiving complaints to ensure customers' highest satisfaction regarding products and services.

4) Policy and Practice Towards Suppliers

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

5) Policy and Practice Towards Business Partners

SCGP's policy is to take 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. Furthermore, 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 knowledge for the same reason. SCGP promotes and supports business partners to operate accordingly to principles of sustainable development and social responsibility while adhering 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 Vendors of SCG Packaging to ensure ethical business conduct and uphold its responsibility towards society and the environment. SCGP also refuses to conduct business with any person or a juristic person who violates the law or demonstrates behavior involving corruption.

6) Policy and Practice Towards Joint Venture Partners

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

7) Policy and Practice Towards Creditors

SCGP's policy is 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 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 and projects, and make suggestions or complaints to SCGP and its subsidiaries. The goal of this is to foster harmonious and sustainable co-existence between industries and communities.

9) Policy and Practice Towards Governmental Agencies

SCGP has clearly defined guidelines in SCG Packaging's Code of Conduct for engaging in transactions with government agencies. Furthermore, SCGP ensures strict compliance with relevant laws and regulations. In addition to refusing to engage in matters that could provide incentives for officers in government agencies and make them commit inappropriate or unlawful acts, SCGP cooperates with government agencies in providing academic assistance or support for various activities. It is open to comments, suggestions, and complaints from government agencies. Lastly, there are operational requirements in SCGP's Anti-corruption Policy related to business relations and government procurement. These specifically prohibit giving or accepting bribes while dealing in any kind of business or SCGP operation. Deals 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 and foster good relations with top executives. SCGP is open for media visits and plans tours of its production processes and management systems so that the media has access to accurate information.

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

SCGP conducts business with concern for social responsibility and for all its 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's policy is 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, along 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 actions that violate its competitors' intellectual property rights, or destroying its competitors' reputation with defamatory and untruthful statements. In addition, SCGP supports and promotes free trade, and avoids any act that monopolizes the market, impede, or limit fair competition.

2.3.2 Dividend Policy of SCGP and its Subsidiaries

SCGP's policy is to pay dividends of at least 20% of its net profit according to 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 is dependent on the performance, financial structure and position, liquidity, additional investment needs, investment plans, business expansions, reserves for loan repayment or working capital, conditions and limitations as stipulated in the loan agreement and other factors related to administration and management.

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

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

SCGP conducts systematic procurements according to tightly controlled regulations and procurement methods. Needs are considered in terms of quality, price, quantity, time, service, 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 vendors who consider their social and environmental responsibilities.

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

2.3.4 SCG Packaging's Supplier Code of Conduct

SCGP has established SCG Packaging's Supplier Code of Conduct so that all business partners follow the same guidelines. It is used as a standard for business

operations along 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 long-standing principles defined in SCG Packaging's Code of Conduct and is dedicated to sustainable and balanced benefits. The Board of Directors has approved SCG Packaging's Code of Conduct as an operational handbook for directors, management and employees at all levels. The Code of Conduct ensures that all employees of SCGP and its subsidiaries understand the same set of principles and operational guidelines throughout the organization, and maximizes benefits for all stakeholders equally.

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 :

Virtue	Asset Management
1. Human and Labor Rights	7. Handling of Information and Assets (Including Intellectual Property)
2. Environment, Health and Safety	8. Information Disclosure and Communication
Ethic	Business Conduct
3. Anti-corruption	9. SCG Packaging's Transaction
4. Gifts and Entertainment	10. Doing Business Abroad and International Trade
5. Conflicts of interest	11. Business Competition
6. Political Activities	12. Anti-laundering Measures

In 2023, SCGP expanded the translation of SCG Packaging's Code of Conduct to include Vietnamese, in addition to the previous year's translation in Bahasa Indonesia. The Code of Conduct is to be applied in SCGP and its subsidiaries both domestically and internationally, and is to be communicated to directors, executives, and all employees (100 percent) through various channels and approaches. In addition, SCGP published a complete version of the SCG Packaging's Code of Conduct in the official website (www.SCGPackaging.com).

SCGP ensures that all employees understand the principles and practices that are specified in SCG Packaging's Code of Conduct, which encompasses 12 topics. For example, providing e-learning videos and infographics with relevant case studies, especially those related to their duties and responsibilities. These topics cover the right actions to take if an employee encounters unethical behavior. SCGP provides training on SCG Packaging's Code of Conduct in its orientation session for new employees, which is also extended to supervisors. Additionally, all Thai employees are mandated to pass an ethics e-Test annually in order to consistently review SCG Packaging's Code of Conduct. The e-Test results are submitted to the Audit Committee for the purpose of evaluating methods to enhance adherence

to the Code of Conduct and promote a corporate culture that upholds SCGP's core values.

Furthermore, SCGP communicates with executives to ensure their awareness and oversight of practices that are considered inappropriate or contradictory to the Code of Conduct. In addition, SCGP not only offers instructions in advising employees on this topic, but also offers instructions in relaying the essence of principles and practices covering all 12 topics of the SCG Packaging's Code of Conduct to all directors.

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

Significant Changes and Developments in Policies, Practices and the Corporate Governance System in the Previous Year

In 2023, the Board of Directors recognized good practices conducted by the Audit Committee and the Board of Directors in preventing and suppressing inappropriate behaviors of listed companies. This is mandated by the Securities and Exchange Commission (SEC) and aligns with the existing direction of SCGP's business. However, SCGP prepared additional measures to complement current practices, and the Board of Directors resolved to apply all eight principles of good corporate governance

for listed companies (CG Code). The implementation aligns with business conduct, technological and cultural advancements, social environment and regulations. All directors must be mindful of their duties as the leading figures of the organization and understand the advantages and fundamental concepts of utilizing their position to generate enduring value for the enterprise. Furthermore, the performance of the Board of Directors and all sub-committees was evaluated based on the CG Code and utilized in development-planning on a continuous basis.

SCGP's policies, guidelines, and corporate governance systems, which were updated in 2023, are as follows :

Items Adjusted in 2023	Key Details
Charter of the Board of Directors	Adjusted for better clarity during application
Charter of the Audit Committee	Adjusted scope of duties and responsibilities of the Audit Committee in accordance with the latest version of the Handbook of the International Code of Ethics for Professional Accountants and good practices of Audit Committee
Charter of the Corporate Governance and Nomination Committee	Adjusted for better clarity during application
Charter of the Remuneration Committee	Adjusted for better clarity during application
Qualification and Nomination Policy for Directors	Adjusted for better clarity and support diversity in the Board of Directors' structure to facilitate determination of strategies and business policies as per the SCGP's sustainable development guideline
Insider Information Management and IT Governance Policy	Introduced additional practices for directors and executives regarding declaration of intent prior to any purchase or sale of securities in accordance with the SET's corporate governance guideline
Performance Assessment Forms for the Board of Directors and the Sub-committees	Adjusted assessment and questions, allowing directors to express perspectives and opinions on a more varied scale

In 2023, SCGP promoted additional rights to shareholders aside from voting rights. For example, the right to submit questions in advance before the 2023 Annual General Meeting of Shareholders to express their opinions or ask questions about agendas, and the right to facilitate shareholders, including institutional investors, to attend a meeting, in both person and by proxy. SCGP provided proxy forms in Form A, B and C to shareholders, together with a notice of the meeting. Furthermore, shareholders could also download the forms from SCGP's website. Shareholders were granted the rights to propose meeting agendas in advance and to nominate qualified candidates to become directors ahead of the 2024 Annual General Meeting of Shareholders, in the period of August 1 to November 30, 2023. The grant of these rights was published on SCGP's website (www.SCGPackaging.com) and on the website of the Stock Exchange of Thailand.

SCGP offers a larger variety of communication channels for SCGP's information as opposed to the previous year, such as

information disclosure in the annual report on both SCGP's website and the website of the Stock Exchange of Thailand. SCGP engages in equitable and impartial communication with institutional investors, retail investors, shareholders, analysts and relevant government agencies through communication channels include telephones, emails, online and physical meetings. In 2023, SCGP organized regular activities, including :

- Conducted a total of eight analyst conferences and press conferences on a quarterly basis regarding SCGP's performance;
- Organized and attended 74 non-deal roadshows and meetings with securities companies to present quarterly information to institutional investors and interested persons;
- Held 60 meetings and conference calls for institutional investors and analysts;
- Participated in eight SET Opportunity Day events organized by the Stock Exchange of Thailand on a quarterly basis for local and international retail investors and those interested;

- Held a total of three SCGP’s factory tours for local and international institutional investors and analysts;
- Published 134 newsletters on SCGP’s performance and progress of investment for business expansions.

In 2023, SCGP fully complied with all eight principles of good corporate governance for listed companies 2017 (CG Code) recommended by the SEC. However, there may be a few guidelines that were not implemented, which can be explained as follows :

Guideline 3.1.1 There must be at least 30% of female members in the Board of Directors. The Board of Directors has considered the appropriateness of the structure of the Board of Directors and, as proposed by the Corporate Governance and Nomination Committee, agreed to have at least two female members in the Board of Directors to diversify the composition of the Board of Directors. At present, SCGP has three female directors out of 12 total directors, accounting for 25%, of which all three female directors are independent directors. The Board of Directors has considered the ratio of female directors and concluded that it is appropriate in the current context.

Guideline 8.3.3 (3) The questions asked and answers provided during the meeting, including the identity of the persons asking and answering the questions, must be recorded in the minutes of the shareholders’ meetings. SCGP has recorded in the minutes of the shareholders’ meeting the questions asked, the answers provided, and the persons answering the question; aiming to make the minutes concise and easy to understand. When answering questions at the shareholders’ meetings, directors and executives may combine similar or related questions asked by the shareholders and answer them together. Therefore, the minutes of the meeting were recorded by summarizing the content of questions, answers, and those who answered for further reference.

SCGP’s corporate governance in 2023 has continually advanced from that of the prior year. For this reason, SCGP successfully passed the good corporate governance assessment and received a wide range of awards as follows :

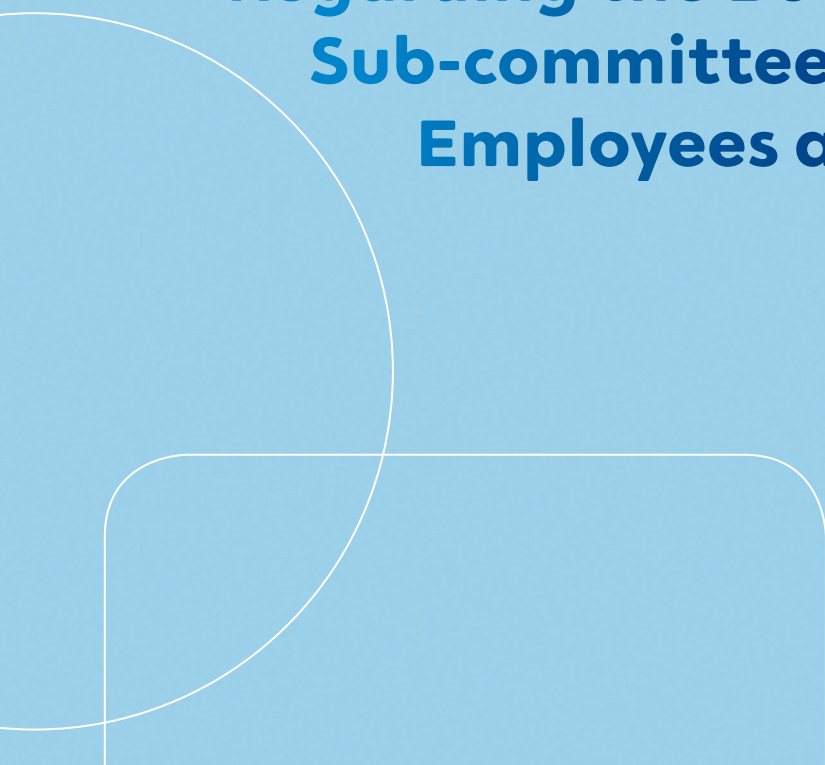


- A 5-star excellent rating in the assessment by the 2023 Corporate Governance Survey of Listed Companies (CGR Checklist) by the Thai Institute of Directors Association (IOD).
- An “AAA” rating in the sustainability assessment or 2023 SET ESG Ratings from the Stock Exchange of Thailand.
- The SET Awards 2023 offered by the Stock Exchange of Thailand in the class of Business Excellence in “Best Innovative Company Awards”, attributed to SCGP’s Detect Odor Monitoring, an innovative and comprehensive odor monitoring system that provides higher standards of air quality management which leads to sustainable environment management; and Sustainability Excellence under the “Best Sustainability” Awards category given to listed companies with a market capitalization of over Baht 100 billion for outstanding implementations of sustainable business practices and commitment to good corporate governance, emphasis on stakeholders, and economic growth in parallel with a balanced development of society and the environment.
- A 100% rating in the quality assessment of the 2023 Annual General Meeting of Shareholders Quality Assessment (AGM Checklist) held by the Thai Investors Association.

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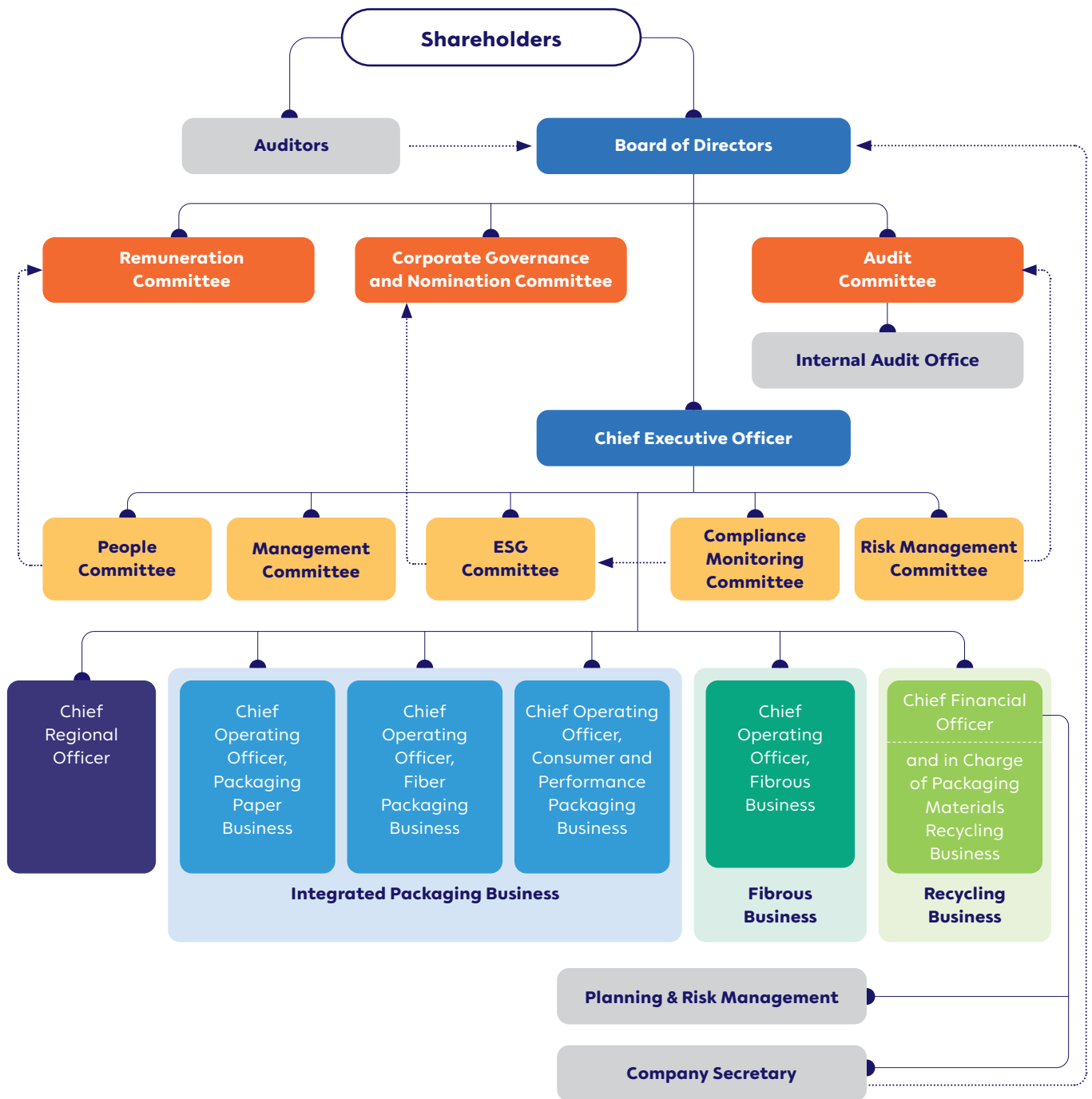
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**Corporate Governance Structure
and Important Information
Regarding the Board of Directors,
Sub-committees, Executives,
Employees and Others**

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Corporate Governance Structure

At the Board of Directors' meeting No. 240 (8/2022) on November 29, 2022, SCGP's corporate governance structure revision was approved, effective from November 29, 2022. The structure is as follows :



..... Reporting Line

Information on the Board of Directors

Composition of the Board of Directors

SCGP's Board of Directors consists of 12 directors, eight of them (accounted for 67% or more than half of the total number of directors) are independent directors, with 11 non-executive directors accounting for more than 90% of the total number of directors, and three independent female directors accounting for 25% of the total number of directors. The Chairman of the Board is an independent director and does not hold the position of Chief Executive Officer. In addition, the Board sets a condition that an independent director must not hold more than 0.5% of the total number of voting shares in SCGP, its parent company, a subsidiary, an associate, a major shareholder, or a controlling person, including shares held by related persons. This provision is more stringent than the criteria defined in the notification of the Capital Market Supervisory Board.

SCGP defines the structure of the Board of Directors with an emphasis on the Board's diversity such as knowledge, skills, experiences, and expertise that are beneficial to the operations of SCGP and its subsidiaries according to the Board Skills Matrix and SCGP's business strategies.

Other required qualifications of individual directors include morality and accountability, leadership, exemplary vision, and the ability to devote sufficient time. The selection of individual directors is done without limitation to, nor discrimination on the grounds of gender, age, race, ethnicity, nationality, country of origin, religion, cultural and traditional background, etc.

In 2023, the Board of Directors reviewed the Board Skills Matrix to cover specific expertise and required skills, which had been considered to be beneficial to SCGP's business in accordance with the medium-term plans (5 years). The focus was on expanding the business to reach consumers and access to international growth as well as becoming the leading company in ESG (Environmental, Social and Governance) and innovation. A total of 11 fields of professional skill and expertise, as well as the required number of directors in each field, were established. The current Board consists of members with a diverse range of knowledge, skills and expertise; fulfilling all 11 fields and exceeding the minimum number required in each field.

Directors and Individual Controlling Persons

As of December 31, 2023, members of the Board of Directors are as follows :

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

Remarks : (1) Directors No. 1-11 are non-executive directors.
Director No. 12 is an executive director.

(2) Directors No. 1, 4, 5, 6, 7, 8, 9 and 10 are independent directors who meet all SCGP's criteria of an independent director, which are more stringent than those stipulated by the Capital Market Supervisory Board.

(3) Directors No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 are directors who meet all Dow Jones Sustainability Index (DJSI)'s criteria of an independent director, details of which can be found on www.SCGPackaging.com.

(4) Directors No. 4 and 6 are directors who have sufficient knowledge and experience to perform their duties in reviewing the reliability of SCGP's financial statements.

(5) Directors authorized to sign for and with binding effect on the Company are any two of the three directors, namely Mr. Prasarn Trairatvorakul, Mr. Thammasak Sethaudom, or Mr. Wichan Jitpukdee, who must jointly sign their names.

(6) The structure of the Board of Directors adopts a one-tier board system, comprising a structure of both executive directors and non-executive directors. Some of the latter are also independent directors.

Structure of the Board of Directors



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

Roles and Responsibilities of the Board of Directors

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

Information on the Sub-committees

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

(A) Audit Committee

As of December 31, 2023, the Audit Committee consists of the following three independent directors :

Member	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

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

(B) Corporate Governance and Nomination Committee

As of December 31, 2023, the Corporate Governance and Nomination Committee consists of the following three directors :

Member	Position
1. Professor Kitipong Urapeepatanapong	Chairman of the Corporate Governance and Nomination Committee
2. Mrs. Suphajeer Suthumpun	Member of the Corporate Governance and Nomination Committee
3. Mr. Thiraphong Chansiri	Member of the Corporate Governance and Nomination Committee

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

(C) Remuneration Committee

As of December 31, 2023, the Remuneration Committee consists of the following three directors :

Member	Position
1. Mr. Vanus Taepaisitphongse	Chairman of the Remuneration Committee
2. Mr. Vibul Tuangsitthisombat	Member of the Remuneration Committee
3. Mr. Thammasak Sethaudom	Member of the Remuneration Committee

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

(D) ESG Committee

As of December 31, 2023, the ESG Committee consists of one director and 34 executives as follows :

Position in SCGP	Position in ESG Committee
1. Chief Executive Officer	Chairman
2. Technology and Digital Platform Director	Commissioner
3. Regional People Caring Director	Commissioner
4. Innovation and Product Development Director	Commissioner
5. Chief Financial Officer and in Charge of Packaging Materials Recycling Business	Commissioner & ESG-Governance Dimension Chief
6. Strategy and Growth Director	Commissioner
7. Recycling Materials Management Director	Commissioner
8. Sourcing Management Director	Commissioner
9. Engineering Director	Commissioner
10. Safety and Productivity Management Manager	Commissioner
11. Manager - Compliance Management and BCM	Commissioner
12. Manager - Brand Management	Commissioner

Position in SCGP	Position in ESG Committee
13. Chief Operating Officer, Fibrous Business/ Head of Global Food Service Packaging	Commissioner & ESG-Social Dimension Chief
14. People Caring Director	Commissioner
15. Director - PPPC Mill	Commissioner
16. Director - TPC Mill	Commissioner
17. Managing Director, SFT	Commissioner
18. Chief Operating Officer, Packaging Paper Business	Commissioner & ESG-Environmental Dimension Chief
19. Director - Banpong Mill	Commissioner
20. Director - Wangsala Mill	Commissioner
21. Managing Director, Thai Cane Paper	Commissioner
22. Director - Energy Division	Commissioner
23. Enterprise Marketing Director	Commissioner
24. Manager (President & CEO, UPPC)	Commissioner
25. General Director, VKPC	Commissioner
26. President Director, Fajar	Commissioner
27. Chief Operating Officer, Fiber Packaging Business	Commissioner
28. Manufacturing Director TCSP	Commissioner
29. Director of CIP Regional Operation	Commissioner
30. Chief Operating Officer, Consumer and Performance Packaging Business	Commissioner
31. General Director CIP-Vietnam	Commissioner
32. President Director-Intan Group	Commissioner
33. Investor Relations Director	Commissioner
34. ESG and Sustainability Director	Commissioner and Secretary
35. ESG Associate Director	Commissioner and Assistant Secretary

Remarks : (1) Director No. 1 is a member of the Board.

(2) Directors No. 31-33 were appointed as the commissioners of the ESG Committee, effective from August 3, 2023.

(E) Risk Management Committee

As of December 31, 2023, the Risk Management Committee consists of one director and 11 executives, as follows :

ตำแหน่งใน SCGP	Position in Risk Management Committee
1. Chief Executive Officer	Chairman and Director
2. Chief Financial Officer and in Charge of Packaging Materials Recycling Business	Vice Chairman and Director
3. Chief Operating Officer, Consumer and Performance Packaging Business	Director
4. Chief Operating Officer, Fiber Packaging Business	Director
5. Chief Operating Officer, Packaging Paper Business	Director
6. Chief Operating Officer, Fibrous Business	Director
7. Chief Regional Officer	Director
8. Director of the Internal Audit Office	Director
9. Enterprise Marketing Director	Director
10. Global Foodservice Packaging Head	Director
11. Technology and Digital Platform Director	Director
12. Safety and Productivity Management Manager	Director
13. Strategy and Growth Director	Director
14. Manager - Planning & Risk Management	Secretary and Director

Remark : Director No. 1 is a member of the Board.

Information on the Executives

Names and Positions of the Executives

A) Executives

As of December 31, 2023, the executives comprise the following eight persons :

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

Remark : Ms. Rungtip Trikomol was appointed as the Accounting Director, replacing Mrs. Nadarat Pomtri, effective from October 1, 2023.

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

B) Management Committee

As of December 31, 2023, the Management Committee comprises the following seven members :

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

Board of Directors' Profile

Mr. Prasarn Trairatvorakul Age 71 years

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

Position

- Chairman
- Independent Director

Date of Appointment as a Director

June 21, 2019



Education/Training

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

Knowledge/Skills / Expertise

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

Director Training

- Role of the Chairman Program (RCP) 2/2001, Thai Institute of Directors Association
- Director Certification Program (DCP) 21/2002, Thai Institute of Directors Association
- Ethical Leadership Program (ELP) 2/2015, Thai Institute of Directors Association
- Board Nomination and Compensation Program (BNCP) 5/2018, Thai Institute of Directors Association
- IT Governance and Cyber Resilience Program (ITG) 15/2020 Thai Institute of Directors Association

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

- Since 2019 Chairman, Central Retail Corporation Public Company Limited
- Since 2019 Chairman, Pruksa Holding Public Company Limited (Director qualified as an Independent Director effective from 2016)

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

Position in other Company/Organization/Institution (10)

- Since 2021 Director
- Since 2017 Member of the Asset Management Committee, Vajiravudh College
- Since 2018 Chairman of the Board, Education Equity Fund
- Since 2018 Director, Siam Sindhorn Co., Ltd.
- Since 2018 Director, CPB Equity Company Limited
- Since 2017 Member, 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

- 2021-2024 Chairman of the Board of Governors, The Stock Exchange Thailand
- 2021-2024 Chairman of the Board, Thailand Futures Exchange Public Company Limited (TFEX)
- 2021-2024 Chairman of the Board, Thailand Capital Market Development Fund (CMDF)
- 2019-2022 Chairman of the Board, Mihidol Witayanusorn
- 2018-2021 Director, Prince of Songkla University
- 2018-2020 Distinguished Scholar, Faculty of Commerce and Accountancy, Chulalongkorn University
- 2017-2019 Chairman, Economic Reform Committee
- 2017-2019 Director, Education Reform Committee
- 2017-2019 Chairman, Public Procurement Committee
- 2015-2019 Director, National Anti-Corruption Commission
- 2015-2019 Director, Committee to Enhance Competitiveness of the Nation
- 2014-2019 Director, State Enterprise Supervisory Board
- 2010-2015 Governor, The Bank of Thailand
- 2004-2010 President, KASIKORNBANK Public Company Limited
- 1999-2003 Secretary-General, The Securities and Exchange Commission, Thailand

Shareholdings (Ordinary Shares) (as at December 31, 2023)

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

Family Relationship among Directors and Executives

(None)

Mr. Thammasak Sethaudom

Age 54 years

Position

- Vice Chairman
- Member of the Remuneration Committee

Date of Appointment as a Director

October 1, 2018



Education/Training

- Master of Business Administration (Distinction), London Business School, United Kingdom
- Bachelor of Engineering, Electrical Engineering, Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business School, USA
- Executive Development Program, Columbia University, USA
- Management Development Program, the Wharton School, the University of Pennsylvania, USA
- Marketing for Management, Kellogg School, USA
- Innovation Management Program, Dupont, USA
- Capital Market Academy Program Thailand (CMA)
- National Defence College Thailand (NDC)

Knowledge/Skills/Expertise

- Core Business of the Company and Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors and Digitalization
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Environmental, Social and Governance

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 (2)

- Since 2024 President and CEO, The Siam Cement Public Company Limited
- Since 2018 Director, SCG Decor Public Company Limited (Listed in the Stock Exchange of Thailand since 2023)

Position in Other Company/Organization/Institution (23)

- Since 2023 Governing Board, National Science and Technology Development Agency (NSTDA)
- Since 2018 Commissioner, PT Chandra Asri Petrochemical Tbk, Indonesia*
- Director of SCG's subsidiaries, associates, and other companies which are non-listed in the Stock Exchange of Thailand, as assigned (21)

5-year Past Experiences and/or Remarkable Positions

- 2022-2023 Executive Vice President, The Siam Cement Public Company Limited
- 2018-2021 Vice President-Finance and Investment & CFO, The Siam Cement Public Company limited
- 2012 -2018 General Director, Long Son Petrochemicals Company Limited, Vietnam
- 2008-2012 Deputy General Director, Long Son Petrochemicals Company Limited, Vietnam

Shareholdings (Ordinary Shares) (as at December 31, 2023)

- 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

Police Colonel Thumnithi Wanichthanom
Age 65 years

Position

Director

Date of Appointment as a Director

June 1, 2022



Education/Training

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

Knowledge/Skills/Expertise

- Core Business of the Company and Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Large Organization Management and Human Resource Management
- Environmental, Social and Governance

Director Training

(None)

Board Member/Management of other Listed Company in Thailand (2)

- Since 2023 Member of the Executive Committee
- Since 2021 Director, SCB X Public Company Limited
- Since 2019 Director and Member of the CSR Committee for Sustainable Development, The Siam Cement Public Company Limited

Position in Other Company/Organization/Institution (19)

- Since 2022 Director, Auto X Company Limited
- Since 2022 Director, Alpha X Company Limited
- Since 2018 Director and Member of the Corporate Social Responsibility Committee, The Siam Commercial Bank Public Company Limited
- Since 2018 Senior Deputy Director-General, The Crown Property Bureau

- Since 2018 Vice Chairman, CPB Equity Co., Ltd.
 - Since 2018 Chairman of the Board, Suvarnachad Company Limited
 - Since 2018 Vice Chairman, Doi Kham Food Products Company Limited
 - Since 2018 Vice Chairman, The United Cinema Company Limited
 - Since 2018 Vice Chairman, Sribathana Company Limited
 - Since 2018 Vice Chairman, Sridharani Company Limited
 - Since 2018 Vice Chairman, Baanbong Vetchakij Company Limited
 - Since 2018 Director, Baan-Bong Vetchakit 904 Company Limited
 - Since 2018 Director, Mongkhol Chaipattana Company Limited
 - Since 2018 Vice Chairman, Siamsinthorn Company Limited
 - Since 2018 Vice Chairman, Siam Bioscience Company Limited
 - Since 2018 Vice Chairman, Apexcela Company Limited
 - Since 2018 Vice Chairman, The Deves Insurance Public Company Limited
 - Since 2017 Grand Chamberlain of the Bureau of the Royal Household
 - Since 2017 Director of The Privy Purse
- 5-year Past Experiences and/or Remarkable Positions**
- 2021-2023 Member of the Corporate Social Responsibility Committee, SCB X Public Company Limited
 - 1997-2016 Deputy Chamberlain, Personal Affairs Division of H.R.H the Crown Prince, the Bureau of the Royal Household

Shareholdings (Ordinary Shares) (as at December 31, 2023)

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

Family Relationship among Directors and Executives

(None)

Mrs. Kaisri Nuengsigkapan
Age 62 years

Director qualified as an Independent Director (From June 1, 2019)

Position

- Independent Director
- Chairman of the Audit Committee

Date of Appointment as a Director

June 1, 2019



Education/Training

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University
- Certified Public Accountant

Knowledge/Skills/Expertise

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

Director Training

- Director Certification Program (DCP) 0/2000, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) 30/2013, Thai Institute of Directors Association
- Role of the Compensation Committee Program (RCC) 16/2013, Thai Institute of Directors Association
- Advance Audit Committee Program (AACP) 36/2020, Thai Institute of Directors Association
- Director Leadership Certification Program 0/2020, Thai Institute of Directors Association
- Subsidiary Governance Program (SGP) 1/2022, Thai Institute of Directors Association
- Outbound Investment (online) (RFP) 8/2022, Thai Institute of Directors Association

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

- Since 2023 Member of the Audit Committee
- Since 2022 Member of the Nomination, Compensation and Corporate Governance Committee
- Since 2020 Independent Director, Indorama Ventures Public Company Limited
- Since 2022 Independent Director, Chairperson of the Audit Committee, Member of the Credit and Investment Screening Committee and Member of the Risk Oversight Committee, The KASIKORNBANK Public Company Limited
- Since 2016 Chairman of the Board of Directors, Mc Group Public Company Limited

Position in Other Company/Organization/Institution (4)

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

5-year Past Experiences and/or Remarkable Positions

- 2018-2019 Independent Director and Member of the Audit Committee, SCG Ceramics Public Company Limited
- 2016-2022 Director and Treasurer, Rakkaew Foundation
- 2016-2022 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, 2023)

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

Family Relationship among Directors and Executives

(None)

Mr. Chalee Chantanayingyong

Age 67 years

Director qualified as an Independent Director (From June 21, 2019)

Position

- Independent Director
- Member of the Audit Committee

Date of Appointment as a Director

June 21, 2019



Education/Training

- Master in Business Administration (Finance), Texas A&M University, USA
- Bachelor of Business Administration (Money and Banking), Thammasat University
- Top Executive Program, Class 5, Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCoT), Class 5, Commerce Academy, University of the Thai Chamber of Commerce
- Advance Senior Executive Program (ASEP) (2006), SASIN GRADUATE Institute of Business Administration of Chulalongkorn University in collaboration with Kellogg School of Management, Northwestern University, Chicago. IL, USA

Knowledge/Skills/Expertise

- Core Business of the Company
- Vision, Mission and Policy Setting and Strategic Planning
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Business and Investment Laws, Merger and Acquisition, as well as Rules, Regulations and Practices related to Capital Market and Financial Institutions
- Environmental, Social and Governance
- Financial Statements Reviewing

Director Training

- Director Certification Program (DCP) (7/2001), Thai Institute of Directors Association
- Anti-corruption for Executive Program (ACEP) (8/2013), Thai Institute of Directors Association
- Advanced Audit Committee Program (AACP) (38/2020), Thai Institute of Directors Association
- Risk Management Program for Corporate Leaders (RCL) (21/2020), Thai Institute of Directors Association
- Boards that Make a Difference (BMD) (10/2020), Thai Institute of Directors Association
- Director's Briefing 5/2022 : Leadership that Shapes the Future, Thai Institute of Directors Association
- Board Nomination and Compensation Program (BNCP) 14/2022 (Online), Thai Institute of Directors Association
- Director's Briefing 9/2022 : Geopolitical Risk and Opportunity, Thai Institute of Directors Association
- Director Briefing 6/2023 : Sustainability Trends in Business Across Industries, Thai Institute of Directors Association
- Facilitator for Director Accreditation Program (DAP) and Audit Committee Program (ACP), Thai Institute of Directors Association

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

- Since 2022 Independent Director, Member of the Audit Committee, and Chairman of the Compliance and Governance Committee, Kiatnakin Phatra Bank PLC

Position in Other Company/Organization/Institution (2)

- 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

- 2019-2023 Chairman, Disciplinary Sub-Committee, Thailand Clearing House Company Limited
- 2019-2023 Chairman, Appealing Committee, Thailand Futures Exchange Public Company Limited
- 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, 2023)

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

Family Relationship among Directors and Executives

(None)

Mrs. Pongpen Ruengvirayudh
Age 68 years

Director qualified as an Independent Director (From June 21, 2019)

Position

- Independent Director
- Member of the Audit Committee

Date of Appointment as a Director

June 21, 2019



Education/Training

- Master of Business Administration (Finance), Katholieke University, Belgium
- MS in Accounting, Thammasat University
- Bachelor of Accounting (Accounting), Thammasat University
- Advanced Management Program, Wharton School of Management, USA
- Top Executives Program, Class 3, Capital Market Academy
- Thammasat Leadership Program, Class 3, Thammasat University
- Programs related to International Portfolio Investment, Risk Management, Monetary Policy and Central Bank

Knowledge/Skills/Expertise

- Core Business of the Company
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management

Director Training

- Director Certification Program (DCP) 262/2018, Thai Institute of Directors Association
- Advanced Audit Committee Program (AACP) 46/2022, Thai Institute of Directors Association
- Subsidiary Governance Program (SGP) 1/2022, Thai Institute of Directors Association
- Outbound Investment (online) (RFP) 8/2022, Thai Institute of Directors Association

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

- Since 2022 Independent Director, Member of the Audit Committee and Member of the Corporate Governance Committee, TISCO Financial Group Public Company Limited

Position in Other Company/Organization/Institution (6)

- Since 2022 Independent Director and Member of the Audit Committee, TISCO Bank Public Company Limited
- Since 2021 Chairman of the Financial Policy Committee, Thai Health Promotion Foundation
- Since 2020 Member of the Audit Committee
- Since 2019 Qualified Member, Dhurakij Pundit University Council
- Since 2019 Chairman of the EEF Investment Supervision Sub-Committee, Equitable Education Fund
- 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

- 2021-2023 Member of the Board Committee, Corporate Bond Stabilization Fund (BSF), The Bank of Thailand
- 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 19th National Wage Committee, Ministry of Labour
- 2012-2015 Director, Board of Directors, Government Pension Fund
- 2012-2015 Member of the Board of Directors, the Monetary Policy Committee and the Financial Institutions Policy Committee, and the 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, 2023)

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

Family Relationship among Directors and Executives

(None)

Professor Kitipong Urapeepatanapong

Age 68 years

Director qualified as an Independent Director (From August 21, 2019)

Position

- Independent Director
- Chairman of the Corporate Governance and Nomination Committee

Date of Appointment as a Director

August 21, 2019



Education/Training

- LL.M., The University of British Columbia, Canada
- Master of Laws, Chulalongkorn University
- Admitted as Thai Barrister-at-law, Institute of Legal Education of the Thai Bar
- Bachelor of Laws (Second Class Honors), Chulalongkorn University
- Honorary Doctorate Degree, Faculty of Law, Hatyai University
- Diploma, National Defence course for the joint State-Private Sectors, Class 18, Thai National Defence College (NDC)
- Executive Program in Energy Literacy for a Sustainable Future, Class 8, Thailand Energy Academy (TEA)
- Top Executive Program in Commerce and Trade (TEPCoT), Class 1, Commerce Academy, University of the Thai Chamber of Commerce
- Senior Executives Program, Class 4, Capital Market Academy
- The Program for Junior Executives on Justice Administration, Class 9, Judicial Training Institute
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, Class 5, King Prajadhipok's Institute
- Intermediate Certificate Course - Good Governance for Medical Executives, Class 5, King Prajadhipok's Institute
- Certificate of Families in Business Program, Harvard Business School, USA
- Director Executive Program, School of Management, Yale University, USA
- Certificate of Completion on Company Directors, Australian Institute of Company Directors, Australia
- Certificate Executive Program, J.L. Kellogg School of Management, Northwestern University, USA
- Notary Public Certificate, Lawyers Council of Thailand Under the Royal Patronage

Knowledge/Skills/Expertise

- Core Business of the Company
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Business and Investment Laws, as well as Merger and Acquisition
- Environmental, Social and Governance
- Family Business Governance

Director Training

- The Cullinan : The Making of the Digital Board Batch 2, Thailand Management Association (TMA)
- Board Nomination and Compensation Program – BNCP 16/2023, Thai Institute of Directors Association
- ESG in the Boardroom - A Practical Guide for Board (ESG) 0-2023 Batch, Thai Institute of Directors Association
- 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 (29)

- Since 2023 Member of the Law Amendment for Business Convenience Committee
- Since 2023 Honorary Chairman, Thai Institute of Directors Association
- Since 2023 Director, RANH (Ramathibodi Nursing Home) Social Enterprise
- Since 2023 Member of the Working Committee for Amending Potentially Obstructive Laws towards Business Operation in Thailand's Capital Market

- Since 2023 Member of the Board of Investment, The Board of Investment of Thailand
- Since 2022 Independent Director, Non-executive Director, Chairman of the Sustainable Development Committee, and Member of the Nomination and Remuneration Committee, CJ More Co., Ltd. Committee Member, Committee on Economic and Investment Stimulus Measures to Attract High Potential Foreigners to Thailand
- Since 2022 Member of the Board of Governors, Chairman of the Legal Committee, Member of the Nomination and Remuneration Committee and Member of the Sustainability Committee, The Stock Exchange of Thailand
- Since 2022 Member of the Advisory Board of School of Law, University of the Thai Chamber of Commerce (UTTC)
- Since 2022 Director (Non-Executive Director and Non-controlling Person) and Member of the Audit and Risk Committee, ThaiNamthip Corporation Co., Ltd.
- Since 2022 Member of the Hatyai University Council
- Since 2021 Independent Director, SCG Chemicals Public Company Limited
- Since 2021 Chairman of the Board, Chairman of the Corporate Governance and Sustainability Committee, and Independent Director, Thai Credit 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 Economics Situation Administration Committee, Center for COVID-19 Situation Administration (CCSA)
- Since 2020 Audit Committee, Bangkok University
- Since 2019 Member of the Professional Expert of Steering Committee, Office of the National Higher Education, Science, Research and Innovation Policy Council
- Since 2018 Director, Thailand Institute of Justice (Public Organization)
- 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, Cheevamit 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

- 2021-2023 Member of the ESG Committee, SCG Chemicals Public Company Limited
- 2020-2022 Member of the Corporate Governance Committee, Thai Institute of Directors Association
- 2019-2021 Director, The Stock Exchange of Thailand
- 2018-2021 Director, Rachakarn Asset Management Company Limited
- 2017-2021 Director, The Hub 99 Company Limited
- 2014-2015 Member, National Reform Council
- 2009-2021 Chairman, Baker & McKenzie Company Limited
- 1999 Independent Director, Krung Thai Bank Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2023)

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

Family Relationship among Directors and Executives

(None)

Mr. Vanus Taepaisitphongse

Age 64 years

Director qualified as an Independent Director (From March 24, 2020)

Position

- Independent Director
- Chairman of the Remuneration Committee

Date of Appointment as a Director

March 24, 2020



Education/Training

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

Knowledge/Skills/Expertise

- Core Business of the Company
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Environmental, Social and Governance

Director Training

- Director Certification Program (DCP) 70/2006, Thai Institute of Directors Association
- Subsidiary Governance Program (SGP) 1/2022, Thai Institute of Directors Association

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

- Since 2019 Member of the Risk Management Committee and Member of the Corporate Governance and Sustainable Development
- Since 1996 Director, Betagro Public Company Limited (Listed in the Stock Exchange of Thailand since 2022)

Position in Other Company/Organization/Institution (39)

- Since 2021 Director, Soda Biz Co., Ltd.
- Since 2021 Director, Gawi Co., Ltd.
- Directors of Companies in Betagro Group (20 Companies)
- Director, Magic Software (Thailand) Corp. Ltd.
- Honorary Institute Councilor of King Mongkut's Institute of Technology Ladkrabang
- Honorary Board of Trustee and Executive Committee Member of CMKL University
- Chairman of the University Promotion Committee, Board Member and Honorary Member of the University Council, King Mongkut's University of Technology Thonburi (KMUTT)
- Member of the KX Board of Directors
- Research and Innovation Strategic Committee (RISC), Faculty of Medicine, Siriraj Hospital
- Expert Committee Member, the National Food Committee
- Member of the Agricultural Technology and Innovation Management Institute Steering Committee
- Advisor Member, National Commission on Science, Research and Innovation Promotion; Chairman of the Research and Innovation Utilization Committee; Member of the Commission on Science Strategy, Research, Innovation and Budgeting; Advisor of the Innovation System Development Sub-committee; Honorary Advisor in the Process Evaluation of Management and Funding Units, and Units in Science, Research and Innovation System; Thailand Science Research and Innovation (TSRI)
- Committee Member of Public Engagement Committee of Princess Maha Chakri Award Foundation
- Nomination of Director Committee Member of the Chulalongkorn University Alumni Association Under The Royal Patronage of His Majesty The King
- Member of the Youth Drive for Sustainable Development Committee, Office of the National Economic and Social Development Council

- Member of the Institute Council for the Management of Prince of Chumphon Campus, KMITL Prince of Chumphon Campus
- Honorary Member for Major Research and Innovation Assessment (Agriculture and Food Sector), Following and Assessing Research Science and Innovation Committee, Office of National Higher Education Science Research and Innovation Policy Council (NXPO)
- Director of The Saitarn Foundation
- Board Member in Organizing the "Friends in Need (of "PA") 2023" Project, Friends in Need (of "PA"), the Thai Red Cross Society
- Board Advisor and Member of the Sub-committee on Fund Management for External Organization for Promotion and Development of Innovation, the National Innovation Agency (Public Organization) (NIA)

5-year Past Experiences and/or Remarkable Positions

- 2020-2023 Director, Slig Co., Ltd.
- 2020-2023 Member of the Working Committee on Innovation Development for Partnership School Management to Support Reformation of Education in Accordance with Thailand 4.0 Policy, Office of Basic Education Commission (OBEC)
- 2020-2023 Executive Board Member of Thailand International Chamber of Commerce (ICC Thailand)
- 2019-2023 Research and Innovation Promotion Director, National Research Council of Thailand (NRCT)
- 2019-2023 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)
- 2019-2023 Committee Member of High-Skilled Workforce Promotion and Development, Ministry of Higher Education, Science, Research and Innovation
- 2019-2023 Advisor to the Board of Chulalongkorn University Economics Association
- 2019-2021 Governing Board Member, National Science and Technology Development Board
- 2018-2023 Committee Member of Public Engagement Committee of Princess Maha Chakri Award Foundation
- 2018-2021 Member of University Council, University of the Thai Chamber of Commerce
- 2018-2021 Chairman of the Executive Board, Betagro Public Company Limited
- 2018-2019 Member of the Working Committee on Innovation Development for Partnership School Management, Office of Basic Education Commission (OBEC)
- 2017-2021 Chairman of Betagro Foundation
- 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
- 2015-2021 Director of the Board of Trade of Thailand
- 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, 2023)

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

Family Relationship among Directors and Executives (None)

Mr. Vibul Tuangsitthisombat

Age 58 years

Director qualified as an Independent Director (From March 30, 2021)

Position

- Independent Director
- Member of the Remuneration Committee

Date of Appointment as a Director

March 24, 2020



Education/Training

- Master of Business Administration, Chulalongkorn University
- Bachelor of Science (B.S.) in Management, Indiana State University, USA
- Strategic Leaders Program : Vision, Strategy, and Managing the Organization to Drive Results, Michigan Ross Executive Education, University of Michigan, USA
- Advanced Human Resource Executive Program, Michigan Ross Executive Education, University of Michigan, USA
- Leading in a Disruptive world (LDW), Stanford Center for Professional Development, Stanford University, USA
- Breakthrough Program for Senior Executives, IMD Business School, Switzerland
- Thai National Defence College (Class 57)
- Capital Market Academy (Class 16)

Knowledge/Skills/Expertise

- Core Business of the Company and Businesses in the Company's Supply Chains
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Consumer Market, Food Packaging Market, and Healthcare and Medical Market
- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management

Director Training

- Director Certification Program (DCP) 237/2017, Thai Institute of Directors Association

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

- Since 2021 Director, G-Able Public Company Limited (Listed in the Stock Exchange of Thailand since 2023)

Position in Other Company/Organization/Institution (24)

- Since 2022 Director, Sukwiwat 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 (18 Companies)
- Since 2001 Director, Paddy Holding Co., Ltd.
- Director, United Housing Co., Ltd.

5-year Past Experiences and/or Remarkable Positions

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

Shareholdings (Ordinary Shares) (as at December 31, 2023)

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

Family Relationship among Directors and Executives

(None)

Mrs. Suphajee Suthumpun
Age 59 years

Director qualified as an Independent Director (From September 17, 2021)

Position

- Independent Director
- Member of the Corporate Governance and Nomination Committee

Date of Appointment as a Director

September 17, 2021



Education/Training

- MBA, International Finance and International Accounting, Northrop University, USA
- Bachelor's Degree, Sociology and Anthropology, Thammasat University
- Capital Market Academy Executive Program (CMA), Class 16/2556, Capital Market Academy
- The Programme for Senior Executives on Justice Administration, Class 19, Judicial Training Institute
- Thammasat Leadership Program (TLP), Class 1, Thammasat University

Knowledge/Skills/Expertise

- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Environmental, Social and Governance

Director Training

- Director Certification Program (DCP) 89/2007, Thai Institute of Directors Association
- Advanced Audit Committee Program (AACP) 23/2016, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand (2)

- Since 2022 Member of the Credit and Investment Screening Committee
- Since 2020 Chairperson of the Human Resources and Remuneration Committee
- Since 2018 Member of the Risk Oversight Committee
- Since 2015 Independent Director and Member of the Audit Committee, KASIKORNBANK Public Company Limited (KBANK)
- Since 2022 Chairperson of the Sustainability Committee
- Since 2019 Investment Committee Member
- Since 2016 Group Chief Executive Officer, Executive Committee Member, and Chairperson of the Risk Management Committee
- Since 2015 Director, Dusit Thani Public Company Limited (DUSIT)

Position in Other Company/Organization/Institution (33)

- Director Positions in the Dusit Group (25 Companies)
- Since 2020 Director and Chairperson of the Digital Literacy Subcommittee under the National Reform Committee on Culture, Sports, Labor and Human Resources Development
- Since 2020 Member of the Advisory Board, Sasin Graduate Institute of Business Administration of Chulalongkorn University

- Since 2020 Member of the Sub-Committee on Producing and Developing Graduates under the Higher Education Commission
- Since 2020 Qualified Member of the State Enterprise Policy Committee
- Since 2019 Honorary Member of the Council, The International Buddhist Studies College, Mahachulalongkornrajavidyalaya University
- Since 2015 Member of the Council Committee, Dusit Thani College
- Since 2015 Honorary Member of the University Council, Navamindradhiraj University
- Since 2014 Councilor, Thailand Management Association

5-year Past Experiences and/or Remarkable Positions

- 2018-2020 Director, NR Instant Produce Plc.
- 2017-2018 Independent Director, Member of the Corporate Governance Committee, and Member of the Audit Committee, Nok Airlines Plc.
- 2016-2023 Member of the International Advisory Board, Ecole Hôtelière de Lausanne
- 2016-2022 Director, Le Cordon Bleu Dusit Co., Ltd.
- 2016-2022 Director, Dusit Hospitality Education Philippines Inc.
- 2016-2019 Director, Suanlum Property Co., Ltd.
- 2011-2015 Director, Chairperson of the Executive Committee and Chief Executive Officer, Thaicom Public Company Limited
- 2011-2015 Member of the Executive Committee and Chairperson of the Management Committee - Media & New Business, Intouch Holdings Public Company Limited
- 2011-2015 Director and Chairperson of the Executive Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee, CS LoxInfo Public Company Limited
- 2011-2015 Chairperson 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, 2023)

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

Family Relationship among Directors and Executives (None)

Mr. Thiraphong Chansiri

Age 58 years



Position

- Director
- Member of the Corporate Governance and Nomination Committee

Date of Appointment as a Director

September 16, 2021

Education/Training

- Master of Business Administration (Management), University of San Francisco, USA
- Bachelor of Business Administration (Marketing), Assumption University
- National Defence Course (NDC), Class 62, National Defence College of Thailand, National Defence Studies Institute

Knowledge/Skills/Expertise

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

Director Training

- Director Certification Program (DCP) 10/2001, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thaila (4)

- Since 2022 Vice Chairman of the Board of Directors
- Since 2019 Member of Executive Committee
- Since 2014 Sustainable Development Committee
- Since 2010 Member of the Risk Management Committee
- Since 1995 President and CEO
- Since 1990 Director, Thai Union Group Public Company Limited
- Since 2021 Vice Chairman of the Board of Directors, I-Tail Corporation Public Company Limited
- Since 2018 Member of Executive Committee
- Since 2000 Director, Thai Union Feedmill Public Company Limited
- Since 2014 Member of the Compensation Committee
- Since 2013 Director, Minor International Public Company Limited

Position in Other Company/Organization/Institution (35)

- Since 2021 Director, Beam Data Co., Ltd.
- Since 2021 Director, Interpharma-Zeavita Co., Ltd.
- Since 2021 Director, Thai Union Lifescience Co., Ltd.
- Since 2020 Director, Food and Beverage United Co., Ltd.
- Since 2019 Director, Thai Union Ingredients Co., Ltd.
- Since 2019 Director, Thai Union Eaglewood Development Co., Ltd.

- Since 2017 Director, Thoon Thanasiri Co., Ltd. (including 8 companies)
- Since 2017 Director, Thai Union Property Development Co., Ltd.
- Since 2017 Director, Thai Union Asia Investment Holding Co., Ltd. (Hong Kong)
- Since 2016 President, Thai Union China Co., Ltd. (China)
- Since 2016 Honorary Chairman, Pracharat Raksamakkee Samutsakorn (Social Enterprise) Co., Ltd.
- Since 2016 Director, Thai Union Investments North America LLC (USA)
- Since 2016 Director, Red Lobster Master Holdings LP (USA)
- Since 2014 Director, Thai Union High-Tech Pearl Cultivation Co., Ltd.
- Since 2012 Director, Pakfood PCL.
- Since 2012 Director, Okeanos Food Co., Ltd.
- Since 2010 President, Thai Union Europe (France)
- Since 2010 Director, Tri-Union Frozen Products, Inc. (USA)
- Since 2000 Director, Biz Dimension Co., Ltd.
- Since 1997 Director, Tri-Union Seafoods, LLC. (USA)
- Since 1996 President, Thai Union Seafood Co., Ltd.
- Since 1996 Director, Thai Union North America (USA)
- Since 1995 President, Thai Union Graphic Co., Ltd.
- Since 1993 Director, Asian-Pacific Can Co., Ltd.
- Since 1993 Director, Lucky Union Foods Co., Ltd.
- Since 1993 Director, Waithai Co., Ltd.
- Since 1989 Director, Thai Union Manufacturing Co., Ltd.
- Since 1984 Director, Penven (Thailand) Co., Ltd.

5-year Past Experiences and/or Remarkable Positions

- 2016-2021 Executive Director, Thai Union Online Shop Co., Ltd.
- 2010-2022 Director, U.S. Pet Nutrition LLC. (USA)
- 2009-2022 Director, TN Fine Chemicals Co., Ltd.
- 1999-2021 Director, Songkla Canning Public Company Limited
- 1988-2022 Director, Chansiri Real Estate Co., Ltd
- Chair of the Board of Director, Seafood business for Ocean Stewardship (SeaBOS)
- 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, 2023)

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

Family Relationship among Directors and Executives

(None)

Mr. Wichan Jitpukdee
Age 57 years

Position

- Director
- Chief Executive Officer

Date of Appointment as a Director

June 1, 2019



Education/Training

- Bachelor of Engineering (Industrial Engineering), Chiang Mai University
- Diploma in Pulp & Paper Technology, The University of Auckland, New Zealand
- Advanced Management Program (AMP), Harvard Business School, Harvard University, USA
- Executive Education Program, Columbia Business School, Columbia University, USA
- Management Development Program XIX, The Wharton School, University of Pennsylvania, USA
- Building Competitive Advantage Through Operations Program, Harvard Business School, Harvard University, USA
- Top Executive Program in Commerce and Trade (TEPCoT#10), The University of the Thai Chamber of Commerce
- Top Executives Program, Class 29, Capital Market Academy
- National Defence Course, Class 63, Thailand National Defence College

Knowledge/Skills/Expertise

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

Remark : *Listed in the Stock Exchange of Indonesia

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 (3)

- Since 2023 Director of the Executive Board, the Thai Chamber of Commerce and the Board of Trade of Thailand
- Since 2023 Director, the Members Strengthening Committee
- Since 2019 Director of the Executive Board, the 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, 2023)

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

Family Relationship among Directors and Executives
 (None)

Report of Changes in Securities Holdings of Directors

Directors	SCG Packaging PLC						Affiliated Companies					
	Ordinary Shares (Shares)			Debtentures (Units)			Ordinary Shares* (Shares)			Debtentures (Units)		
	As of January 1, 2023	As of December 31, 2023	Increase/ (decrease) during the fiscal year	As of January 1, 2023	As of December 31, 2023	Increase/ (decrease) during the fiscal year	As of January 1, 2023	As of December 31, 2023	Increase/ (decrease) during the fiscal year	As of January 1, 2023	As of December 31, 2023	Increase/ (decrease) during the fiscal year
1. Mr. Prasarn Trairatvorakul	-	-	-	5,000	5,000	-	-	-	-	45,000**	45,000**	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	10,000***	10,000***	-
2. Mr. Thammasak Sethaudom	-	-	-	-	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	-	-	-
3. Police Colonel Thumnithi Wanichthanom	-	-	-	-	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	-	-	-
4. Mrs. Kaisri Nuengsigkapien	-	-	-	-	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Chalee Chantanayingyong	-	-	-	-	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	-	-	-
6. Mrs. Pongpen Ruengvirayudh	-	-	-	-	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	-	-	-
7. Professor Kitipong Urapeepatanapong	-	-	-	-	-	-	-	-	-	1,000***	1,000***	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	-	-	-
8. Mr. Vanus Taepaisitphongse	-	-	-	-	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	-	-	-
9. Mr. Vibul Tuangsitthisombat	-	-	-	-	-	-	-	-	-	-	-	-
Indirect shareholding	1,042	-	(1,042)	-	-	-	-	-	-	-	-	-
10. Mrs. Suphajee Suthumpun	-	-	-	-	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	-	-	-
11. Mr. Thiraphong Chansiri	-	-	-	-	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	-	-	-
12. Mr. Wichan Jitpukdee	-	-	-	-	-	-	-	-	-	-	-	-
Indirect shareholding	-	-	-	-	-	-	-	-	-	-	-	-

Remarks : 1. SCG Packaging Public Company Limited has a registered capital of Baht 4,500,000,000 and paid-up capital of Baht 4,292,920,200 (4,292,920,200 shares).

2. According to the Public Limited Companies Act, an "affiliated company" means a public limited company which is related to one or more private companies or public limited companies in any of the following manners :

- One company has control over the appointment and withdrawal of directors who have full or substantial authority over another company; or
- One company holds in another company more than 50 percent of shares sold.

**The ordinary shares of The Siam Cement Public Company Limited.

***The debtentures of The Siam Cement Public Company Limited, which are worth Baht 1,000 per unit.

***The debtentures of SCG Chemicals Public Company Limited, which are worth Baht 1,000 per unit.

3. According to SEC regulations, ordinary shares of a company held by directors include those held by a spouse, partners in a de facto relationship and minor children.

4. The Public Limited Companies Act requires divulging the ordinary shares and debtentures in the company and in affiliated companies held solely by a Board member as an individual.

Management Committee's Profile



Mr. Wichan Jitpukdee

Age 57 years

Positions

- Director
- Chief Executive Officer

Date of Appointment as a Director

June 1, 2019

Education/Training

- Bachelor of Engineering (Industrial Engineering), Chiang Mai University
- Diploma in Pulp & Paper Technology, The University of Auckland, New Zealand
- Advanced Management Program (AMP), Harvard Business School, Harvard University, USA
- Executive Education Program, Columbia Business School, Columbia University, USA
- Management Development Program XIX, The Wharton School, University of Pennsylvania, USA
- Building Competitive Advantage Through Operations Program, Harvard Business School, Harvard University, USA
- Top Executive Program in Commerce and Trade (TEPCoT#10), The University of the Thai Chamber of Commerce
- Top Executives Program, Class 29, Capital Market Academy
- National Defence Course, Class 63, Thailand National Defence College

Knowledge/Skills/Expertise

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

Remark : *Listed in the Stock Exchange of Indonesia

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 (3)

- Since 2023 Director of the Executive Board, the Thai Chamber of Commerce and the Board of Trade of Thailand
- Since 2023 Director, the Members Strengthening Committee
- Since 2019 Director of the Executive Board, the 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, 2023)

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

Family Relationship among Directors and Executives

(None)



Mr. Wichan Charoenkitsupat

Age 59 years

Positions

Chief Operating Officer - Packaging Paper Business

Education/Training

- Master of Science (Paper Science and Engineering), Western Michigan University, USA
- Bachelor of Science (Chemical Engineering), Chulalongkorn University
- Bachelor of Economics (Human Resource Economics), Ramkhamhaeng University
- Management Development Program (MDP), The Wharton School, University of Pennsylvania, USA
- Executive Development Program (EDP), Columbia Business School, Columbia University, USA
- Advanced Management Program (AMP), IMD business school (IMD), Switzerland

Knowledge/Skills/Expertise

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

Director Training

- Director Accreditation Program (DAP) 168/2020, Thai Institute of Directors Association
- Financial Statements for Directors (FSD) 41/2020, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand

(None)

Position in other Company/Organization/Institution (3)

- Since 2022 Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia*
- Since 2020 Vice Chairman, Pulp and Paper Industry Club, The Federation of Thai Industries
- Since 2020 Executive Director, The Thai Pulp and Paper Industries Association (TPPIA)

Other Positions in SCGP (23)

Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

5-year Past Experiences and/or Remarkable Positions

- 2018-2022 Chief Operating Officer - Fibrous Business, SCG Packaging Public Company Limited
- 2014 President & CEO, United Pulp and Paper (Philippines)
- 2013 Director, Wang Sala Plant, Siam Kraft Industry Company Limited
- 2010 Managing Director, Thai Union Paper Industry Company Limited
- 2006 Director, Product & Technology Development Center, SCG Packaging Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2023)

- 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. Jakjit Klomsing

Age 56 years

Positions

Chief Operating Officer - Fiber Packaging Business

Education/Training

- Master of Engineering (Mechanical Engineering), Kasetsart University
- Bachelor of Engineering (Mechanical Engineering), King Mongkut's University of Technology North Bangkok
- Advanced Management Program (AMP), Harvard Business School, Harvard University, United States
- Security Management and Leadership for Executives Programme (SML class 4), The Association of National Defence College of Thailand Under The Royal Patronage of His Majesty (ANDCT)

Knowledge/Skills/Expertise

- Core Business of the Company
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Innovation and Technology, Application of Technology in Industries and Business Sectors, and Digitalization
- Risk Management and Crisis Management
- Environmental, Social and Governance

Director Training

Director Accreditation Program (DAP) Class 209/2023, Thai Institute of Directors Association (IOD)

Board Member/Management of other Listed Company in Thailand

(None)

Position in other Company/Organization/Institution (2)

- Since 2023 1st Vice President, Representative of TCG, Asian Corrugated Case Association (ACCA) Committee
- Since 2022 Chairman, Bien Hoa Packaging Joint Stock Company, Vietnam*

Other Positions in SCGP (19)

Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

5-year Past Experiences and/or Remarkable Positions

- 2019-2022 Manufacturing Director, Thai Containers Group Co., Ltd.
- 2016-2019 Director and General Manager, Thai Containers Group Co., Ltd. (Samutprakarn Plant)
- 2016-2019 Managing Director, Tawana Container Co., Ltd.

Shareholdings (Ordinary Shares) (as at December 31, 2023)

- 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. Karan Tejasen

Age 55 years

Positions

Chief Operating Officer - Consumer and Performance Packaging Business

Education/Training

- Master of Business Administration (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University
- CBI (Confederation of British Industry) Scholarship, UK
- Advanced Management Program (AMP), Harvard Business School, USA
- Top Executive Program in Commerce and Trade (TEPCoT), the University of the Thai Chamber of Commerce

Knowledge/Skills/Expertise

- Policy and Strategic Management for Organizations
- Organization Management and Human Resource Management
- Management of Merger and Partnership Deals
- Risk Management and Crisis Management
- Economics and Investment
- Consumer Market, Accounting and Finance

Director Training

- Director Accreditation Program (DAP) 167/2019, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand

(None)

Position in other Company/Organization/Institution (2)

- Since 2020 Director, 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 Positions in SCGP (19)

Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

5-year Past Experiences and/or Remarkable Positions

- 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, 2023)

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

Family Relationship among Directors and Executives

(None)



Mr. Suchai Korprasertsri

Age 56 years

Positions

Chief Operating Officer - Fibrous Business

Education/Training

- Master of Business Administration, Thammasat University
- Bachelor of Engineering (Industrial Engineering), Chulalongkorn University
- Advanced Management Program (AMP), Harvard Business School, USA

Knowledge/Skills/Expertise

- Business or Pulp, Paper and Packaging Industries
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Consumer Market, Accounting and Finance

Director Training

- Director Accreditation Program (DAP) 86/2010, Thai Institute of Directors Association
- Director Certification Program (DCP) 141/2011, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand

(None)

Position in other Company/Organization/Institution (2)

- Since 2022 Director as the Representative of Phoenix Pulp & Paper Public Company Limited (PPPC), The Thai Pulp and Paper Industries Association (TPPIA)
- Since 2022 Vice Chairman as the Representative of Phoenix Pulp & Paper Public Company Limited (PPPC), Pulp and Paper Industry Club, The Federation of Thai Industries (FTI)

Other Positions in SCGP (19)

Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

5-year Past Experiences and/or Remarkable Positions

- 2019-2022 Chief Operating Officer - Consumer and Industrial Packaging Business, SCG Packaging Public Company Limited
- 2017 Corporate Marketing Director, SCG Packaging Public Company Limited
- 2016 General Manager Cluster 4 (TCCB/TCRY/TCPB/ Indo- PMC& IRP), Thai Containers Group Company Limited
- 2015 Regional Operations Director, Thai Containers Group Company Limited
- 2010 Managing Director, Thai British Security Printing Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2023)

- Held personally : (None)
- Held by spouse or minor children : 48,500 shares (0.001%)

Family Relationship among Directors and Executives

(None)



Mr. Danaidej Ketsuwan

Age 51 years

Positions

Chief Financial Officer and in Charge
of Packaging Materials Recycling Business

Education/Training

- Master of Business Administration, Sloan School of Management, Massachusetts Institute of Technology, USA
- Bachelor of Science, Mechanical Engineering, University of California at Berkeley, USA
- Senior Executive Programme, London Business School (LBS), UK
- Executive Development Program V, International Institute for Management Development (IMD), Switzerland
- Management Development Program XXII, The Wharton School, University of Pennsylvania, USA
- Executive Program in Energy Literacy for a Sustainable Future, Class 17, Thailand Energy Academy

Knowledge/Skills/Expertise

- Other Large Businesses and Industries
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Investment in Foreign Countries, International or Regional Business Administration, and Cultural Difference Management
- Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Economics and Investment

Remark : *Listed in the Stock Exchange of Indonesia

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
- Director Refreshment Program : Outbound Investment (RFP) 8/2022, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand

(None)

Position in other Company/Organization/Institution (1)

- Since 2022 Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia*

Other Positions in SCGP (34)

Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

5-year Past Experiences and/or Remarkable Positions

- 2019-2021 Chief Regional Officer, 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, 2023)

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

Family Relationship among Directors and Executives

(None)



Mr. Sompob Witworrasakul

Age 53 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
- Stanford Executive Program 2022, Stanford Business School, USA

Knowledge/Skills/Expertise

- Core Business of the Company and Businesses in the Company's Supply Chains
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Sustainable Organization Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Application of Technology in Industries and Business Sectors

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

Director Training

- Director Accreditation Program (DAP) 190/2022, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand

(None)

Position in other Company/Organization/Institution (1)

- Since 2021 Vice Chairman, Bien Hoa Packaging Joint Stock Company, Vietnam*

Other Positions in SCGP (12)

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, 2023)

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

Family Relationship among Directors and Executives

(None)

Report of Changes in Securities Holdings of Executives

No.	Executives	Ordinary Shares of SCG Packaging Public Company Limited (Shares)		
		As of January 1, 2023	As of December 31, 2023	Increase/(decrease) during fiscal year
1.	Mr. Wichan Charoenkitsupat	-	-	-
	Indirect shareholding	-	-	-
2.	Mr. Jakjit Klomsing	-	-	-
	Indirect shareholding	-	-	-
3.	Mr. Karan Tejasen	-	-	-
	Indirect shareholding	-	-	-
4.	Mr. Suchai Korprasertsri	-	-	-
	Indirect shareholding	43,500	48,500	5,000
5.	Mr. Danaidej Ketsuwan	-	-	-
	Indirect shareholding	-	-	-
6.	Mr. Sompob Witworrasakul	-	-	-
	Indirect shareholding	-	-	-
7.	Ms. Rungtip Trikomol	-	-	-
	Indirect shareholding	-	-	-

Remarks :

1. SCG Packaging Public Company Limited has a registered capital of Baht 4,500,000,000 and paid-up capital of Baht 4,292,920,200 (4,292,920,200 shares).
2. In reference to the Notification of Capital Market Supervisory Board No. Sor.Jor. 38/2561, "Executives" mean the managing director, the next four executives succeeding the managing director, every person holding an equivalent position to the fourth executive, and shall include the persons holding an executive position in accounting or finance at a managerial or equivalent, or higher level.
3. According to SEC regulations, ordinary shares of a company held by the directors include those held by a spouse, partners in a de facto relationship and minor children.
4. Considering SCGP's structure, the executives pursuant to the Notification of Capital Market Supervisory Board comprise the above-mentioned seven members.
5. Executive no. 7 holds an executive position in accounting.

Executive Remuneration Policy

The Remuneration Committee proposes the remuneration structure, the remuneration for executives, and the appraisal of the Chief Executive Officer and other executives' performance to the Board of Directors for consideration and approval. To ensure short-term and long-term motivation, the remuneration is considered based on their responsibilities and business performance, taking into account business operating performance for the year compared to those for the past years, in the following aspects :

1. Performance – consider the sales generation, net profit, and EBITDA of which targets being set annually as criteria for evaluation and comparison.
2. Implementation with the Company's Medium-Long term plan (for the approximate 5-year period) – consider business expansion, profit growth rate, market share, continuous operation efficiency improvement, as well as sustainability performance with the ESG goals being committed through key activities, such as GHG emission reduction, launch of the new products made of circular, eco and community-friendly materials, reduction of energy and natural resource consumption.

Chief Executive Officer's Performance Appraisal and Remuneration Management

The Board of Directors tracks and assesses the performance of the Chief Executive Officer (CEO) annually on a prudent and fair basis, which in turn determines the remuneration. Appraisal processes and remuneration must be considered and approved by the Remuneration Committee, and then proposed to the Board of Directors for further consideration and final approval. The assessment consists of three factors as follows :

1. Performance :

Consider the Company's growth in terms of absolute and relative performance, compare the latest year's performance with the goal, and compare the Company's performance with leading companies in the same industry.

2. Key Performance Index (KPI) :

Consider four main criteria as per the Balanced Scorecard principle. This covers internal and external factors, which consist of Financial & Growth, Customers & Stakeholders, Internal Business Processes and ESG & People to reflect

the performance of sustainability activities, such as greenhouse gas reduction and the measurement of recyclable products manufacturing capacity.

3. CEO Survey :

Consider five main criteria in the leadership profile, which comprises of Engagement, Innovation & Strategy, Excellence, Crisis Management and ESG.

The assessment result in 2023, based upon the three factors above, indicated the “Excellent” performance of the Chief Executive Officer. In addition, the Board of Directors also commented in a positive manner on the performance,

attitude, constant improvement and development, business opportunity seeking, social contributions, teamwork and collaboration of the Chief Executive Officer.

With regards to remuneration management, SCGP has budgeted the remuneration in line with its short-term and long-term operating results, such as business performance, execution performance of the policies enforced by the Board, business development abilities, improvement of operational efficiency, and economic and social conditions. SCGP’s remuneration structure is compared with that of the other local and international companies in the same industries.

Remuneration of the Executive Directors and Executives

(A) Executive Directors’ Remuneration

SCGP does not appoint any executive directors.

(B) Executive Remuneration

(1) Monetary Remuneration

For the fiscal year ended December 31, 2023, SCGP paid monetary remuneration of Baht 82,409,000.00 to seven executives, consisting of salary and bonus (but excluding the remuneration as a director), equal to 0.73 percent of total employee remuneration.

(2) Other Remuneration

For the fiscal year ended December 31, 2023, SCGP paid other remuneration amounting to Baht 7,204,170.00 to seven executives, in the form of provident fund contributions.

Claw Back Provision

SCGP requires its directors and executives, with qualifications under the notification of the Office of the Securities and Exchange Commission (SEC), to perform their duties with responsibility, cautiousness, and honesty, in accordance with Section 89/7 of the Securities and Exchange Act B.E. 2535, and to comply also with the business plan, laws, objectives, Articles of Association, and resolutions from the Board of Directors’ and shareholders’ meetings. If the directors and executives, as defined by the SEC, commit or refrain from committing any actions to avoid fulfilling the duties prescribed by section 89/7, the Company may exercise its rights according to sections 89/18 and 89/19 in filing a claw back suit.

Subsidiaries Which are the Centers of SCGP’s Core Businesses

No.	Company	Registered Country	Business Type
1.	Siam Kraft Industry Co., Ltd. (SKIC)	Thailand	Packaging Paper
2.	PT Fajar Surya Wisesa Tbk. (Fajar)	Indonesia	Packaging Paper
3.	Thai Containers Group Co., Ltd. (TCG)	Thailand	Fiber Packaging
4.	Phoenix Pulp & Paper Public Co., Ltd. (PPPC)	Thailand	Foodservice Products, Pulp and Paper Products
5.	TC Flexible Packaging Co., Ltd. (TCFP)	Thailand	Investment in Polymer Packaging

Details of the management structure, Board of Directors, executives, and remuneration of SKIC, Fajar, TCG, PPC and TCFP, the five subsidiaries, which are the centers of SCGP’s core business, are as follows :

(1) SKIC

(A) Management Structure



(B) Board of Directors

As of December 31, 2023, the Board of Directors of SKIC comprises the following five members :

Director	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Karan Tejasen*	Director
3. Mr. Danaidej Ketsuwan*	Director
4. Mr. Sompob Witworrasakul*	Director
5. Mr. Wichan Charoenkitsupat*	Director

Remark : *Directors appointed by SCGP

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

Any two directors must sign jointly, together with the company’s seal.

(C) Executives

As of December 31, 2023, the executives of SKIC are as follows :

Executive	Position
1. Mr. Wichan Charoenkitsupat	Managing Director
2. Ms. Tanatcha Vongamornniti	Packaging and Specialty Materials Sales Director
3. Mr. Manit Siriworasilp ⁽¹⁾	Asset Performance Management Director
4. Mr. Teerachai Chavapongpanit ⁽²⁾	Energy Director
5. Mr. Suttipong Poomsrisa-ard	Banpong Mill Director
6. Mr. Saharath Pattanavibool	Wangsala Mill Director

Remarks : (1) Mr. Manit Siriworasilp was appointed as the Asset Performance Management Director replacing Mr. Wiwat Walaiphachara, effective from November 1, 2023.
(2) Mr. Teerachai Chavapongpanit was appointed as the Energy Director replacing Mr. Kitti Viwatborvornwong, effective from December 1, 2023.

(D) Executive Remuneration

(1) Monetary Remuneration

For the fiscal year ended December 31, 2023, SKIC paid monetary remuneration of Baht 47,205,099.99 to eight executives⁽¹⁾, consisting of salary and bonus.

Remark : (1) Include the monetary remuneration paid to two executives who have resigned from their positions, namely Mr. Wiwat Walaiphachara from the Asset Performance Management Director, effective from November 1, 2023, and Mr. Kitti Viwatborvornwong from the Energy Director, effective from December 1, 2023.

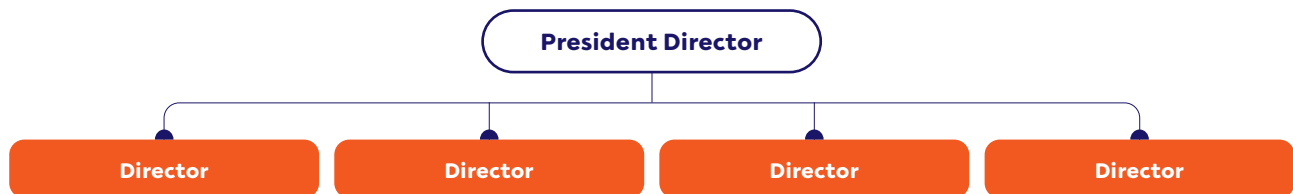
(2) Other Remuneration

For the fiscal year ended December 31, 2023, SKIC paid other remuneration amounting to Baht 4,345,718.00 to eight executives⁽¹⁾, in the form of provident fund contributions.

Remark : (1) Include the monetary remuneration paid to two executives who have resigned from their positions, namely Mr. Wiwat Walaiphachara from the Asset Performance Management Director, effective from November 1, 2023, and Mr. Kitti Viwatborvornwong from the Energy Director, effective from December 1, 2023.

(2) Fajar

(A) Management Structure



(B) Board of Commissioners

As of December 31, 2023, the Board of Commissioners of Fajar comprises the following nine members :

Commissioner	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Wichan Charoenkitsupat*	Commissioner
3. Mr. Danaidej Ketsuwan*	Commissioner
4. Mr. Kitti Tangjitmaneesakda*	Commissioner
5. Ms. Vilia Sulisty	Commissioner
6. Mr. Roy Teguh ⁽¹⁾	Commissioner
7. Mr. Tony Tjandra	Independent Commissioner
8. Mr. Lim Chong Thian	Independent Commissioner
9. Mr. Sudarmanto Wiryodiatmo	Independent Commissioner

Remarks : *Directors appointed by SCGP

(1) Mr. Roy Teguh was appointed as the Commissioner, effective from March 20, 2023.

(C) Audit Committee

As of December 31, 2023, the Audit Committee of Fajar consists of three members as follows :

Member	Position
1. Mr. Lim Chong Thian	Chairman of the Audit Committee
2. Ms. Elizabeth Linandi	Member of the Audit Committee
3. Ms. Shiery	Member of the Audit Committee

(D) Nomination and Remuneration Committee

As of December 31, 2023, the Nomination and Remuneration Committee of Fajar consists of three members as follows :

Member	Position
1. Mr. Tony Tjandra	Chairman of the Nomination and Remuneration Committee
2. Ms. Vilia Sulisty	Member of the Nomination and Remuneration Committee
3. Mr. Kurniawan	Member of the Nomination and Remuneration Committee

(E) Executives

As of December 31, 2023, the executives of Fajar are as follows :

Executive	Position
1. Mr. Thalengsak Ratchburi	President Director
2. Mr. Ekachai Anujorn	Director
3. Mr. Ponthepp Tuntavadcharom	Director
4. Mr. Yustinus Kusumah*	Director
5. Mr. Arif Razif*	Director

Remark : *Non-employee executive of SCGP

Person authorized to sign for and with binding effect on the Company

One executive must sign.

(F) Executive Remuneration

(1) Monetary Remuneration

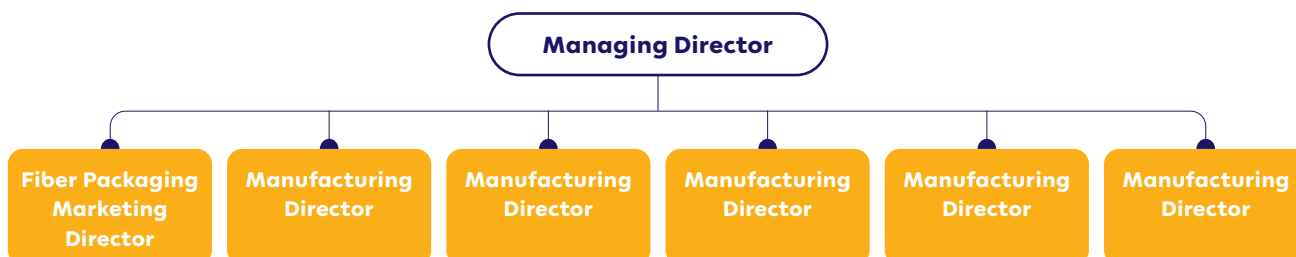
For the fiscal year ended December 31, 2023, Fajar paid monetary remuneration, consisting of salary and bonus, of Rupiah 5,057,975,000.00 (Baht 11,939,855.79) to two executives who are not SCGP's employees.

(2) Other Remuneration

- None -

(3) TCG

(A) Management Structure



(B) Board of Directors

As of December 31, 2023, the Board of Directors of TCG comprises the following eight members :

Director	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Hirofumi Hori	Director
3. Mr. Danaidej Ketsuwan*	Director
4. Mr. Tomohisa Ishimi	Director
5. Mr. Sompob Witworrasakul*	Director
6. Mr. Jakjit Klomsing*	Director
7. Mr. Karan Tejasen*	Director
8. Mr. Toshinobu Sada	Director

Remark : *Directors appointed by SCGP

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

Any two directors must sign jointly, together with the company's seal.

(C) Executives

As of December 31, 2023, the executives of TCG are as follows :

Executive	Position
1. Mr. Jakjit Klomsing	Managing Director
2. Mrs. Kanchana Arakwatana	Fiber Packaging Marketing Director
3. Mr. Niwat Phusrisalap	Manufacturing Director
4. Mr. Panu Ratanasingha	Manufacturing Director
5. Mr. Chotichai Junwattarungul	Manufacturing Director
6. Mr. Soungdat Doungkate	Manufacturing Director
7. Mr. Ekasit Kitisakchaikul	Manufacturing Director

(D) Executive Remuneration

(A) Monetary Remuneration

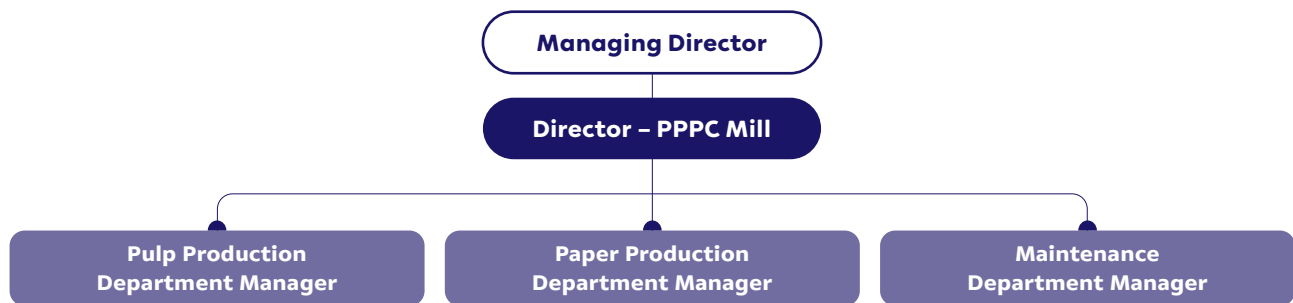
For the fiscal year ended December 31, 2023, TCG paid monetary remuneration, consisting of salary and bonus, of Baht 40,566,500.00 to seven executives.

(B) Other Remuneration

For the fiscal year ended December 31, 2023, TCG paid other remuneration amounting to Baht 3,774,043.00 to seven executives, in the form of provident fund contributions.

(4) PPPC

(A) Management Structure



(B) Board of Directors

As of December 31, 2023, the Board of Directors of PPPC comprises the following seven members :

Director	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Suchai Korprasertsri*	Director
3. Mr. Wichan Charoenkitsupat*	Director
4. Mr. Masaya Masukawa	Director
5. Mr. Danaidej Ketsuwan*	Director
6. Mr. Som Narongrerknavin*	Director
7. Mr. Norio Ozawa	Director

Remark : *Directors appointed by SCGP

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

Two directors must sign jointly.

(C) Executives

As of December 31, 2023, the executives of PPPC are as follows :

Executive	Position
1. Mr. Suchai Korprasertsri	Managing Director
2. Mr. Som Narongrerknavin	Director – PPPC Mill
3. Mr. Anucha Pooboonthong	Pulp Production Department Manager
4. Mr. Pajonsuk Pabudla	Paper Production Department Manager
5. Mr. Siripong Sairat ⁽¹⁾	Maintenance Department Manager

Remarks : (1) Mr. Siripong Sairat was appointed as the Maintenance Department Manager replacing Mr. Watcharachai Chaicharoen, effective from March 1, 2023.

(D) Executive Remuneration

(1) Monetary Remuneration

For the fiscal year ended December 31, 2023, PPPC paid monetary remuneration, consisting of salary and bonus of Baht 25,552,731.66 to six executives⁽¹⁾.

Remark : (1) Includes other remuneration paid to Mr. Watcharachai Chaicharoen, an executive who resigned from the position of Maintenance Department Manager, effective from March 1, 2023.

(2) Other Remuneration

For the fiscal year ended December 31, 2023, PPPC paid other remuneration amounting to Baht 2,429,291.00 to six executives⁽¹⁾, in the form of provident fund contributions.

Remark : (1) Include other remuneration paid to Mr. Watcharachai Chaicharoen, an executive who resigned from the position of Maintenance Department Manager, effective from March 1, 2023.

(5) TCFP

(A) Management Structure

TCFP has no management structure since it is a holding company which operates by investing in other polymer packaging companies.

(B) Board of Directors

As of December 31, 2023, the Board of Directors of TCFG comprises the following eight members :

Director	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Karan Tejasen*	Director
3. Mr. Hirofumi Hori	Director
4. Mr. Kenzo Sano	Director
5. Mr. Jakjit Klomsing*	Director
6. Mr. Sompob Witworrasakul*	Director
7. Mr. Danaidej Ketsuwan*	Director
8. Mr. Toshinobu Sada	Director

Remark : *Directors appointed by SCGP

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

Any two directors must sign jointly, together with the company's seal.

(C) Executives

TCFP has no executives since it is a holding company.

(D) Executive Remuneration

(1) Monetary Remuneration

- None -

(2) Other Remuneration

- None -

Summary of Executives' Remuneration received from Subsidiaries

No.	Company	Executive Remuneration		
		Number of Executives*	Monetary Remuneration** (Baht)	Other Remuneration*** (Baht)
1.	SKIC	8	47,205,099.99	4,345,718.00
2.	Fajar	5	11,939,855.79	- None -
3.	TCG	7	40,566,500.00	3,774,043.00
4.	PPPC	6	25,552,731.66	2,429,291.00
5.	TCFP	- None -	- None -	- None -

Remarks : *Including executives who resigned/retired during the year

**Salary and bonus

***Provident fund contributions

Tenure of Directors, Executives, and Controlling Persons in the Company, Subsidiaries, and Related Companies

Company	Directors/Executives						
	Mr. Wichan Jitpukdee	Mr. Wichan Charoenkitsupat	Mr. Jakjit Klomsing	Mr. Karan Tejasen	Mr. Suchai Korprasertsri	Mr. Danaidej Ketsuwan	Mr. Sompob Witworrasakul
Subsidiaries							
Packaging Paper Business							
1. Siam Kraft Industry Co., Ltd.	X	/		/		/	/
2. Vina Kraft Paper Co., Ltd.		X	/			/	/
3. Thai Cane Paper Public Co., Ltd.	X	/					
4. United Pulp and Paper Co., Inc.		/				/	
5. SCGP Solutions (Singapore) Pte. Ltd.	X					/	
6. PT Fajar Surya Wisesa Tbk.	X	/				/	
7. PT Dayasa Aria Prima		X					
8. SCG Paper Energy Co., Ltd.		X					
Fiber Packaging Business							
9. Thai Containers Group Co., Ltd.	X		/	/		/	/
10. Thai Containers Khonkaen Co., Ltd.	X		/	/		/	/
11. Thai Containers Rayong Co., Ltd.	X		/	/		/	/
12. Tawana Container Co., Ltd.			X				
13. Orient Containers Co., Ltd.			X				
14. New Asia Industries Co., Ltd.			X				/
15. Alcamax Packaging (Vietnam) Co., Ltd.			X				/
16. Packamex (Vietnam) Co., Ltd.							X
17. AP Packaging (Hanoi) Co., Ltd.			X				/
18. PT Primacorr Mandiri			X				
19. PT Indoris Printingdo			X				
20. PT Indocorr Packaging Cikarang			X				
21. SCGP Solutions Co., Ltd.			X			/	
22. Precision Print Co., Ltd.			X				
23. TCG Solutions Pte. Ltd.			X			/	
24. Bien Hoa Packaging Joint Stock Company			X				/
25. PT Indonesia Dirtajaya Aneka Industri Box		/	X		/	/	
26. PT Bahana Buana Box		/	X		/	/	
27. PT Rapi-pack Asritama		/	X		/	/	

Company	Directors/Executives						
	Mr. Wichan Jitpukdee	Mr. Wichan Charoenkitsupat	Mr. Jakjit Klomsing	Mr. Karan Tejasen	Mr. Suchai Korprasertsri	Mr. Danaidej Ketsuwan	Mr. Sompob Witworrasakul
Consumer and Performance Packaging Business							
28. SCGP-T Plastics Co., Ltd.				X		/	
29. Conimex Co., Ltd.				X		/	
30. SCG Rigid Plastics Co., Ltd.				X		/	
31. Vexcel Pack Co.,Ltd.				X		/	
32. TC Flexible Packaging Co., Ltd.	X		/	/		/	/
33. Prepack Thailand Co., Ltd.				X		/	
34. Tin Thanh Packing Joint Stock Company				X			/
35. SCGP Rigid Packaging Solutions Pte. Ltd.				X		/	
36. Duy Tan Plastics Manufacturing Corporation Joint Stock Company				X		/	/
37. International Healthcare Packaging Co., Ltd.				X		/	
38. Deltalab Global, S.L.				X		/	
39. Deltalab, S.L.				X		/	
Fibrous Business							
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 Rungsarit Co., Ltd.		/			X		
49. Panas Nimit Co., Ltd.		/			X		
50. Thai Panaboon Co., Ltd.		/			X		
51. Thai Panaram Co., Ltd.		/			X		
52. Thai Panadorn Co., Ltd.		/			X		
53. Thai Panason Co., Ltd.		/			X		
54. Thai Wanabhum Co., Ltd.		/			X		

Company	Directors/Executives						
	Mr. Wichan Jitpukdee	Mr. Wichan Charoenkitsupat	Mr. Jakjit Klomsing	Mr. Karan Tejasen	Mr. Suchai Korprasertsri	Mr. Danaidej Ketsuwan	Mr. Sompob Witworrasakul
Packaging Material Recycling Business							
55. Peute Recycling B.V.						/	
56. Peute Papierrecycling B.V.						/	
57. Peute Recycling International B.V.						/	
58. Peute Plasticrecycling B.V.						/	
59. Jordan Trading Inc.						/	
Other Business							
60. SCGP Excellence Training Center Co., Ltd.						/	
61. SKIC International Co., Ltd.						/	
Associated company							
62. Siam Toppan Packaging Co., Ltd.	/			/		/	
63. Siam Nippon Industrial Paper Co., Ltd.		/			/		

Remarks :

(1) X = Chairman / = Director/Commissioner

(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;
- United Industrial Energy Corporation registered to cease its business on April 24, 1997
- 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, including : subsidiaries of Duy Tan, Deltalab and Peute, Invenique Co., Ltd., P&S Holdings Corporation, and Sahagreen Forest Co., Ltd.

(3) SCGP's directors do not hold any positions in any subsidiary or associated company, except for 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 section.

(5) SCGP's executives are not directors of any related company that may present a conflict of interest.



Employee Information

Employees of SCGP and its Subsidiaries

A) Human Resource Management Policy

SCGP strives to comply with the Diversity and Inclusion Policy. Recognizing the significance of human rights, SCGP treats all employees with equality and nondiscrimination and upholds the vision of ethical business operations. SCGP aligns its human resource management activities with the aforementioned policy as a guideline to ensure fairness towards all employees.

Organizational culture is regarded as the core principle of employee stewardship. The main ideas of SCGP's organizational culture include fairness and belief in its people's values. SCGP places importance on the fair treatment of employees and labors. All employees from all levels are offered the best and equal treatment since they are essential resources of the Company. SCGP delicately tailored its recruitment process, coaching and development program, remuneration determination, appraisal process, and professional career path by assigning the People Caring team to oversee, control, supervise, monitor and evaluate overall processes.

To ensure the well-being, good mental, physical and occupational health, and safety of the employees, SCGP strives to cultivate an organizational culture where the highest safety of the employees is ensured. For example, Culture Contact is put in place to allow the employees to discuss occupational safety issues or the issues beneficial to their work before starting the meeting. Also, the culture program, namely Care for Self encourages the

ideas of self-care and self-love among employees as a foundation of work culture. SCGP offers work equipment and tools to its employees to mitigate work-related risks.

Moreover, SCGP is aware of, and places importance on, social equality. It has established policies to enhance the well-being of people with disabilities and allow them to utilize their potential, earn a living, and be able to live on their own. This idea is in line with the Persons with Disabilities Empowerment Act, B.E. 2550, which aims to enhance the well-being of people with disabilities.

In 2023, SCGP has complied with section 33 (the employment of people with disabilities) and section 35 (the provision of sales location concession, sign language interpreters, or caregivers to people with disabilities) of the Persons with Disabilities Empowerment Act, B.E. 2550. A total of 67 translators and caregivers have been provided. The number of people with disabilities employed is in line with the portion prescribed by law.

B) Employment and Number of Employees

SCGP's employment policy centers around equality and nondiscrimination towards sex, nationality, religion, and culture. The employment is proceeded by considering competency of the candidates in order to ensure the diversity of employees in each department in terms of sexual orientation, religion and culture. It also facilitates diverse work styles.



As of December 31, 2023, and 2022, the total numbers of SCGP and its subsidiaries' employees are 21,882 and 22,289 employees respectively. The details are shown below.

Department	As of December 31, 2023 (Employees)	As of December 31, 2022 (Employees)
Production	11,554	11,769
Technical	3,424	3,488
Sales & Marketing	1,933	1,969
QC/QA	811	826
Human Resources & Administration	705	718
Supply Chain	545	555
Accounting & Finance	321	327
Research & Development	167	170
Project	293	298
Management Information System	143	145
Business Planning	39	40
Others	1,947	1,984
Total	21,882	22,289

Country	As of December 31, 2023 (Employees)	As of December 31, 2022 (Employees)
Thailand	8,445	8,731
Indonesia	4,670	5,009
Vietnam	7,865	7,721
The Philippines	406	441
Malaysia	123	96
Spain	203	202
The Netherlands	96	78
The United States of America	10	11
The United Kingdom	50	-
Italy	14	-
Total	21,882	22,289

C) Significant Change in Employee Numbers in the Past Three Years

In recent years, there are changes to the employee numbers of SCGP and its subsidiaries as follows :

As of	Number of Employees	Increase/(Decrease)	Percentage Increase/ (Decrease)
December 31, 2021	23,341	8,380	56.0
December 31, 2022	22,289	(1,052)	(4.5)
December 31, 2023	21,882	(407)	(1.83)

In 2021, the number of employees significantly increased due to the acquisition of Go-Pak, Duy Tan, Intan Group, and Deltalab. In 2022 and 2023, there was no significant change in the number of employees. The human resource management system has functioned with high efficiency on a consistent basis.

D) Employee Remuneration

For the retention of skilled and competent employees, the Board of Directors defined a remuneration policy that offers competitive compensation and benefits on par with those of leading companies and in line with the short-term and long-term performance of SCGP. In addition, employee welfare is offered to ensure that SCGP's employees work in a safe and secure environment and get sufficient support to undertake their duties efficiently under any circumstances and conditions.

SCGP budgets its employee remuneration in accordance with its short-term and long-term operating results. In the short term, SCGP considers annual operating results, such as revenue from sales, net profit, and EBITDA. In the long term, SCGP takes into account the performance of its medium-long term plans, such as business expansion, profit growth, market shares, overall sustainable development performance and continuous operational enhancement.

For the fiscal year ended December 31, 2023, SCGP and its subsidiaries paid monetary remuneration of Baht 11,797,728,979.96 to its employees, consisting of salary, bonus, and provident fund contributions. The average remuneration ratio between male and female employees is 46:54.

In addition to the above remuneration, SCGP provided welfare to support employees and relieve their problems. For example, a provident fund, medical care (inpatient and outpatient), dental care, uniform costs and shuttle bus/transportation costs (in some areas). Moreover, mental health care with psychotherapists and psychiatrists is offered to promote the employees' EQ and mental stability in and out of work.

Provident Fund

SCGP has provided a provident fund for its employees for the long-term care of employees and enrichment of their quality of life after retirement. About 98% of all employees of SCGP and its subsidiaries in Thailand* are enrolled into the provident fund, managed by the following asset management companies :

- Principal Asset Management Company Limited
- SCB Asset Management Company Limited
- Krung Thai Asset Management Public Company Limited
- Kasikorn Asset Management Company Limited

Remarks : Except for Precision Print Co., Ltd., which is considering the establishment of provident fund program.

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

E) Labor Disputes

SCGP and its subsidiaries have had no labor disputes that have caused a significant impact on business operations over the past three years.

F) Employee Engagement Assessment

SCGP has continuously conducted organization engagement surveys among employees in Thailand and countries where SCGP operates its business in cooperation with the world's leading consulting firm that excels in the study of organization engagement.

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

1. Employee Engagement Full Surveys that are conducted every two years; and
2. Employee Engagement Pulse Surveys that are conducted on selected topics as appropriate.

In 2023, SCGP conducted Employee Engagement Full Surveys in order to observe employee opinions and feelings towards the Company. The survey was conducted by considering factors, causes and suggestions provided by employees in the 2022 Engagement Survey. As a result, the activity systems for company, business and department levels were designed. For example, learning programs were designed and provided to allow employees to project

and select their own career path and development. The Performance Dialogue session was arranged to enhance understanding between supervisors and employees. Moreover, the human resource management system and welfare were improved to facilitate the employees and relieve their concerns. With regard to the results of the 2023 survey, SCGP's employee engagement score is at 78%, higher than the previous year result which is at 76%. In 2023, the attrition rate is at 0.04%.

As for employee engagement in 2024, SCGP will design activities and operational guidelines that are in line with the results achieved and the suggestions provided by employees in the 2023 Engagement Survey. Details are shown below :

1. Maintain and enhance employee engagement through various efforts, such as communication and well-being development in the physical, social, mental and belief aspects. SCGP aims to develop itself into an organization for well-being by conducting campaigns and activities that cultivate organizational culture, such as the i-Strong and the Health club programs.
2. Promote an environment that enhances collaboration. SCGP will continue to work in collaboration with external and internal parties in order to gather the best ideas and practices and to achieve its goals in delivering values to the clients.

G) Human Resource Development Policy

SCGP's human resources policy is based on SCGP's core values. SCGP believes that employees are the most important asset. The recruitment, retention, and development of qualified and capable employees are hence designed to be in line with SCGP's values.

Strengths of SCGP's Human Resources Policy includes continuous investment in individual growth and 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 belief in one's own abilities among employees. SCGP has developed the SCGP Employee Development Framework to increase efficiency.

All SCGP employees must attend the competency development program and work under the Performance Management System (PMS), which encourages cooperation between SCGP employees. SCGP intends to add value to its employees as it would lead to SCGP's advancement. Employees' knowledge, abilities, and skills are built as follows :

1. Develop employees' skills in order to adapt to changes, meet customer demand, and support business expansion. All employees will receive training in these seven leadership competencies : Customer & Consumer – Linkage Centricity, Strategic Formulation & Growth Mindset, People



Motivator & Collaboration, Agility, Technology & Digital Adaptability, Resilience and Continuous Self Improvement, which are newly added in 2023.

2. Determine clear leadership roles in accordance with SCGP's culture and behavior, in which leaders shall act in line with work expectations in their daily work. They will be educated on leadership roles and competencies at the management level as follows :

- Engagement – Engage with the team, inspire, and encourage teamwork.
- Imagination – Be a visionary and guide the team to see the big picture.
- Execution – Develop work processes and achieve success through actions and changes.

In 2023, SCGP provided an average of 13.6 hours of training per person for executives and employees in Thailand, with a focus on developing their operational potential.

In addition, SCGP cultivated an awareness of social and environmental responsibilities in the organization through training courses on environmental management for employees at all levels. These included an orientation training course on “Environmental Conservation Management” for new employees, which covers the Environment and Climate Policy, the 3Rs, environmental conservation, and waste separation. The objectives of these training courses were to communicate SCGP's environmental policies and raise employees' awareness of environmental conservation. SCGP also provided in-depth staff training for their roles, such as on wastewater treatment for industrial and surrounding communities, energy management in factories, renewable energy uses, and environmental practices according to laws and regulations. Additionally, SCGP organized activities to raise environmental awareness and promoted environment-related campaigns for employees and business partners in accordance with the sustainable development guidelines.

In addition, as part of the Core Value Leadership, education on SCGP Packaging's Code of Conduct was provided for all employees and executives of every level to have access to self-learning tools on the topic of Ethics & Integrity. Topics covered these areas : 1. Conflicts of Interest Prevention, 2. Insider Trading Prevention and 3. Anti-corruption. The content and materials were implemented into SCGP's learning system, including videos and documents that can be remotely accessed at any time. Furthermore, all employees and executives must take an annual test and pass with a 100% pass rate.

The three aforementioned topics on ethics were also included in various courses as per the SCGP Employee Development Framework. This allowed employees to review the information whenever an opportunity arises, such as during orientation programs (12 batches/year on average) to allow new hires to understand and realize the importance of SCGP's ethics. Another example is the “We Plus” program (1-2 batches/year) that trained new heads of department on their roles and cautions relating to compliance with the Code of Conduct that may apply to a head of department, etc.

Moreover, SCGP encouraged its personnel to be aware of insider trading prevention, conflicts of interest prevention, and anti-corruption through emails and policy publications on SCGP's website; comprising the Prevention of Conflicts of Interest Policy, the Insider Information Management and IT Governance Policy, and the Anti-corruption Policy. The insider trading and conflicts of interest prevention guidelines were also reported to all directors and executives (accounting for 100%).

SCGP also supported employee development by providing scholarships to employees for further studies at leading universities around the world in the fields related to SCGP's business, such as materials science and packaging design. As of December 31, 2023, SCGP had 68 scholarship employees pursuing their studies in the Master of Business Administration (MBA) degree, a Master's degree in other fields, and a Doctor of Philosophy (PhD) in a specific field. As of December 31, 2023, 63 scholarships for Master's degrees and five scholarships for PhDs were given.

Other Important Information

Company Secretary

Ms. Wararee Toah-ngern is the Company Secretary who has roles and responsibilities as specified in Section 89/15 and Section 89/16 of the Securities and Exchange Act B.E. 2535 (and its amendments) and other responsibilities assigned by SCGP and the Board of Directors, such as being responsible for organizing the meetings of the Board, sub-committees and shareholders. The Company Secretary is also in charge of preparing the minutes of the Board's meetings, the minutes of the shareholders' meetings, the annual report, as well as filing documents as stipulated by law. The appointed Company Secretary is deemed appropriate by the Board as she is knowledgeable in managing corporate secretarial work; having served as the Director of the Corporate Secretary Office, which supports corporate secretarial work involving compliance with laws, rules, and regulations as well as overseeing and supervising works with regard to SCGP's corporate governance.

The Company Secretary has attended training programs annually to enhance the knowledge and skills required to fulfill the duties of a Company Secretary. In 2023, she attended the AGM Notice / Board Resolution program provided by the Thai Listed Companies Association.

Person Supervising Accounting

Ms. Rungtip Trikomol is the Accounting Director who is directly responsible for accounting controls, was appointed to replace Mrs. Nadarat Pomtri from October 1, 2023. She is responsible for making sure that SCGP's accounting transactions are efficient and in accordance with regulations, company procedures, and accounting standards. She is qualified as per the accountant's criteria specified by the Notification of the Department of Business Development.

Head of Internal Audit

Ms. Panunda Sunyakorn is the Director of the Internal Audit Office and SCGP's internal auditor, who has been assigned to prepare reports and suggest improvements in accordance with SCGP's internal control plans and policies.



Head of Compliance

Ms. Suchada Assawaharutai, the Safety and Productivity Management Manager, has been assigned to be responsible for overseeing compliance in SCGP to ensure that all operations comply with the laws and government policies.

SCGP established a corporate unit for Compliance Management to develop efficient compliance practices and processes for SCGP and its subsidiaries, as well as educate and raise awareness regarding SCGP's compliance. In addition, it is responsible for advising, supporting, monitoring and analyzing data, as well as assessing and reporting compliance's effectiveness and efficiency, to ensure that SCGP operates its business in compliance with applicable regulations, which, in turn, promotes improvement and enhancement of SCGP's compliance level.

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

Name-Surname/ Position	Age (Year)	Education/Training	Past Experience		
			Period	Position	Department/Company/Business
Ms. Wararee Toah-ngern	45	<ul style="list-style-type: none"> • Master of Arts in Diplomacy and International Relations, Seton Hall University, USA • Bachelor of Arts, Thammasat University Training Certificate from the Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> • Company Secretary Program (CSP) 11/3/2020 • Board Reporting Program (BRP) 3/3/2020 	December 1, 2020-Present	Company Secretary	SCGP/Holding company
			2019-2023	Company Secretary and Secretary to the Board of Directors	Thai Cane Paper Public Company Limited/ Packaging Paper Manufacturing and Distribution
			2019-2023	Secretary to the Board of Directors	Phoenix Pulp and Paper Public Company Limited/ Pulp and Food Packaging Manufacturing and Distribution
			2017-2023	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
			October 1, 2023-Present	Head of Accounting Information Management	SCC/Holding company
			2020-September 30, 2023	Accounting Director	SCGP/Holding company
Mrs. Nadarat Pomtri	51	<ul style="list-style-type: none"> • Bachelor of Accountancy, Kasetsart University • Management Development Program, The Wharton School of the University of Pennsylvania • Management Acceleration Program, Duke University • McKinsey Management Program, McKinsey • 14-hour accounting training from the accounting training institute approved by the Federation of Accounting Professions and Department of Business Development 	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 Co., Ltd./ Activities related to accounting, auditing and tax advisory

Name- Surname/ Position	Age (Year)	Education/Training	Past Experience		
			Period	Position	Department/Company/Business
Ms. Rungtip Trikomol	55	<ul style="list-style-type: none"> Bachelor of Accountancy, Thammasat University Management Development Program, The Wharton School of the University of Pennsylvania 12-hour accounting training from the accounting training institute approved by the Federation of Accounting Professions and Department of Business Development 	October 1, 2023-Present	Accounting Director	SCGP/Holding company
			2017-Present	Sub-Committee on Ethics Code	Federation of Accounting Professions
			2022-September 30, 2023	Accounting Director	SCGC/Holding company
			2021	Chief Accounting Office - Chemicals	SCGC/Holding company
			2019-2021	Chief Accounting Office – Chemicals, supervising the accounting activities of SCG Chemicals Co., Ltd. and the Group	SCC/Holding company
Ms. Panunda Sunyakorn	48	<ul style="list-style-type: none"> Master of Economics, Kasetsart University Bachelor of Accountancy, Kasetsart University Management Development Program, Duke University Certified Professional Internal Audit of Thailand (CPIAT), Institute of Internal Auditors of Thailand 	2014-2018	Head of SCG Consolidation, supervising the financial statements of The Siam Cement Public Company Limited and the consolidated financial statements of SCG	SCC/Holding company
			2011-2013	Chief Accounting Office - Chemicals supervising the accounting activities of SCG Chemicals Co., Ltd. and the Group	SCC/Holding company
			December 1, 2020-Present	Internal Audit Director	SCGP/Holding company
Ms. Suchada Assawaharutai	58	<ul style="list-style-type: none"> Master of Business Administration, Chulalongkorn University Bachelor of Engineering, Chulalongkorn University 	2014	Audit Manager	SCC/Holding company
			1996-2013	Auditor	SCC/Holding company
			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 Co., Ltd./ Manufacturing and Distribution of Fiber Packaging



Information, Contacts, and Roles and Responsibilities of the Head of Investor Relations Office

Name : Mr. Vikorn Phongsathorn

Address : 1 Siam Cement Road, Bangsue, Bangkok 10800

Tel. : 02-586-2939

Email : SCGP_invest@scg.com

SCGP established the Investor Relations Office to manage and conduct action plans in accordance with the sustainable development guidelines; be responsible for the communication of important information which shall reflect SCGP's actual values to shareholders, investors, and securities analysts, both domestically and overseas, as per the regulations of the Securities Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC), while maintaining the accuracy, completeness, and fairness of the disclosure. Several communication channels were provided, including disclosure of information in annual reports, on SCGP's and on SET's website, as well as holding press conferences and securities analyst conferences in relation to SCGP's business results on a regular basis. The Investor Relations Office shall also be responsible for building trust, image, and positive opinions among investors and being receptive to the comments, feedback, and expectations of shareholders, investors, and securities analysts in order to present the information to SCGP's top executives.

Remuneration of the Audit Office and Affiliates

1. Audit Fee

For the fiscal year ended December 31, 2023, SCGP and its subsidiaries paid audit fees of (a) Baht 8.86 million to KPMG Phoomchai Audit Company Limited and (b) Baht 25.48 million to KPMG Group overseas.

2. Non-audit Fee

For the fiscal year ended December 31, 2023, SCGP and its subsidiaries paid non-audit fees of Baht 3.20 million to KPMG Phoomchai Audit Company Limited and the companies in the group of KPMG Phoomchai Audit Company Limited, comprising of Baht 0.93 million for the review of compliance with conditions of the Thai government's Board of Investment Promotion Certificate; and Baht 2.27 million for tax consulting fees and other services, most of which were the consulting for due diligence related to merger and partnership in Vietnam.

The Management considered and opined that other service fees outside of the audit fees from the Audit Office and its affiliates did not cause any conflict of interest, preserving the independence and impartiality of auditors in their work. The matter was thus proposed and approved by the Audit Committee.





8

Key Corporate Governance Performance Report



Key Corporate Governance Performance Report

Summary of the Board's Performance in the Past Year

SCGP conducts business and operates under the thorough supervision of the Board of Directors. The Board is determined to adhere to its core values of doing business with fairness, transparency, and responsibility towards all stakeholders and to conform to the principles and guidelines of good corporate governance at the national, regional, and international level. The Board also acts in accordance with SCG Packaging's Corporate Governance Policy and Code of Conduct to build confidence among shareholders, investors, and other stakeholders. It also aims to create a good corporate culture and values, and supports the creation of good business results for SCGP by strengthening competitiveness and sustaining growth.

In 2023, the Board of Directors reviewed SCGP's policies, measures, and guidelines for good corporate governance in order to improve its standards. This aimed to ensure their consistent effectiveness and correspondence with changes in economy, society, and environment, as well as the business expansion of SCGP for sustainable growth. Its key performances were as follows :

- Reviewed and approved the formulation of visions, strategic plans, business models, medium-term business plans (5-year plan) and annual business plans. The focus was on the improvement of competitiveness, risk management, and corporate governance performance to ensure quality and sustainable growth. To achieve the aforementioned goal, SCGP aimed to consistently develop packaging innovations and solutions to meet customers' needs. SCGP also aimed to expand its business through Merger and Partnership, with the goal of being the leading packaging manufacturer that conducted business by adhering to sustainability. All the aforementioned plans will allow SCGP to expand its business in line with the ESG framework and contribute to the creation of a strong society and a sustainable environment. The performance of strategic plan implementation will be consistently monitored.
- Reviewed the charters, policies, practices, and corporate governance system of SCGP in accordance with the business operations of SCGP and its subsidiaries, the Corporate Governance Code for Listed

Companies, and international corporate governance practices. The details are as described in the Corporate Governance Policy section of this report.

- Held the 2023 Annual General Meeting of Shareholders on March 28, 2023, at The Athenee Hotel Bangkok. SCGP facilitated the shareholders to give proxy to independent directors, nominate the appropriate candidates for director positions, propose the meeting agenda, and submit the agenda-related questions prior to the meeting. In this year, the shareholders did not nominate any candidate or submit any agenda and questions in advance. All the questions and answers discussed during the meeting were summarized in the minutes which were published on the publishing system of the Stock Exchange of Thailand and SCGP's website within 14 days after the meeting. Moreover, SCGP utilized the barcode system for registration and vote counting. The barcode displayed the same registration number shown on the shareholder's registration and proxy forms. This system ensured the swiftness and transparency of registration and vote counting processes. With the consideration of the shareholders' health and safety during the COVID 19 situation, all the attendees were asked to wear face masks during the meeting.



All 12 directors attended the meeting, reaching 100% attendance. Through careful and considerate measures and preparation, as well as respect towards shareholders' rights, SCGP's meeting was assessed by the Thai Investors Association and fully scored 100 points (AGM Checklist).

- The date and agenda for the Board of Directors' and the sub-committees' meetings to be held in each year will be scheduled in advance. In 2023, the Company Secretary proposed the meeting date and agenda for the Board and the sub-committees to consider and approve in the fourth quarter of the year prior to the actual sessions. This allowed all directors to allocate their time for the meeting. Unless there is any urgent matter, the Company Secretary may send the meeting invitations, along with the agenda and attachments, to all directors not less than 5 business days prior to the meeting. This is to allow enough time for the directors to consider all information before attending the meeting. Also, the Board of Directors can hold meetings between non-executive directors without the Management. In 2023, two meetings among non-executive directors (without the Management) were held in August and December on the topics of CEO performance appraisal and CEO and top management development and succession planning.

Directors' Nomination, Development, and Performance Assessment

Directors' nomination, development, and performance assessment are important matters in SCGP's Corporate Governance principles. This is because the Board of Directors plays a key role in formulating strategy and business practices for sustainable growth. Details on the Policy on Qualification and Nomination of Company Directors, including the nomination and selection process, are given in the Corporate Governance Policy section.

Nomination of Independent Directors

The Board of Directors assigns the Corporate Governance and Nomination Committee to consider and scrutinize the qualifications of persons who will serve as independent directors. The selection of independent directors is based on qualifications and required characteristics in the Public Company Act, the Securities and Exchange Act, the Capital Market Supervisory Board's notifications, other relevant announcements, rules, and/or regulations, as well as the Independent Directors' Qualifications disclosed on SCGP's website (www.SCGPackaging.com). The Board also follows the Board Skills Matrix by choosing candidates with the qualifications, knowledge, expertise, and experience that SCGP needs for its business strategy. The committee then presents the qualified candidates to the Board of Directors and/or the shareholders' meeting for further consideration. According to SCGP's policy, at least one-third of its directors shall be independent, and there shall be at least three persons. In addition, the Charter of the Board of Directors requires independent directors to hold their position for no more than nine consecutive years from the date of their first appointment as independent directors. Whenever an independent director is asked to keep their position for longer than this period, the Board should reasonably consider its necessity.

In 2023, SCGP had eight independent directors, which was more than half of the total number of directors (12 persons). There were two independent directors having business relationships with value exceeding the amount allowed by the Notification of the Capital Market Supervisory Board, including Mr. Vanus Taepaisitphongse and Mr. Vibul Tuangsitthisombat. Due to the suggestions of the Corporate Governance and Nomination Committee, the Board of Directors, excluding the directors with conflict of interests in the matter, carefully reviewed the qualifications of the aforementioned directors as independent directors by considering the fiduciary duties stated in clause 89/7 of the Securities and Exchange Act B.E. 2535 (amended). The Board viewed that the appointment of the two aforementioned directors as independent directors did not cause any adverse impact on the independence of their performance or opinions. Also, their knowledge, expertise and professional experience would be beneficial to SCGP since they might improve the performance of the Board. Therefore, the Board agreed that the two aforementioned directors were qualified as independent directors. Details of the two directors are stated below :

- 1) Mr. Vanus Taepaisitphongse holds the position of director of the Betagro Public Company Limited and its subsidiaries which have business relationship with SCGP's subsidiaries. The value of such relationship is more than Baht 20 million, exceeding the amount allowed by the Notification of the Capital Market Supervisory Board. Due to the suggestions of the Corporate Governance and Nomination Committee, the Board of Directors, excluding Mr. Vanus Taepaisitphongse, carefully considered and agreed that the appointment of Mr. Vanus Taepaisitphongse as independent director did not cause any adverse impact on the independence of his performance and opinions and that the business relationship with SCGP's subsidiaries did not cause any conflict of interest between the involved organizations. Also, his long-accumulated knowledge, expertise, and professional experience, especially in the fields of policy forming, strategic planning, innovation enhancement, technology adoption for industrial settings, and ESG management, would enhance and promote business expansions beneficial to SCGP and improve the Board's performance. For this reason, the Board agreed that Mr. Vanus Taepaisitphongse was qualified as the independent director.

- 2) Mr. Vibul Tuangsitthisombat holds the positions of CEO, director, and indirect shareholder of Nan Yang Textile Group and its subsidiaries, which have business relationship with SCGP's subsidiaries. The value of such relationship is more than Baht 20 million, exceeding the amount allowed by the Notification of the Capital Market Supervisory Board. Due to the suggestions of the Corporate Governance and Nomination Committee, the Board of Directors, excluding Mr. Vibul Tuangsitthisombat, carefully considered and agreed that the appointment of Mr. Vibul Tuangsitthisombat as independent director did not cause any adverse impact on the independence of his performance and opinions and that the business relationship with SCGP's subsidiaries did not cause any conflict of interest between the involved organizations. Also, Mr. Vibul Tuangsitthisombat had knowledge, expertise and professional experience in the fields of SCGP's core business and other related business in its value chain, especially in functions of international business management, innovation and technology enhancement and risk management. These qualifications might enhance and promote the business expansion beneficial to SCGP and improve the Board's performance. For this reason, the Board agreed that Mr. Vibul Tuangsitthisombat was qualified as the independent director.

Nomination of Directors and Top Executives

The Board of Directors has appointed the Corporate Governance and Nomination Committee to consider and nominate the qualified candidates to be elected by the Board and/or the shareholders' meeting to replace the director retiring due to the tenure requirement or other causes. The nominated candidates come from various professional backgrounds and are equipped with knowledge and expertise beneficial to and in line with SCGP's business and strategies. Also, such candidates must exhibit leadership, exemplary vision, morality, ethics, clear and unblemished career records and be able to devote their time as a director and express opinions independently. In the past year, in order to recruit the new directors, SCGP allowed the shareholders to nominate qualified candidates and considered the chartered director list 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.

The shareholders' meeting possesses the right to elect the directors. The election shall be done with the criteria and method stated by SCGP's regulations. The shareholders hold 1 vote per share and can elect only one candidate per position. Also, number of candidates elected by the shareholder shall not exceed the number of the opening positions. The individual shareholder's votes given as a whole and cannot be divided for multiple candidates. The Chairman of the meeting may hold a casting vote to decide the number of directors elected. In 2023, during the 2023 Annual General Meeting of the Shareholders (the 30th Meeting) on March 28, 2023, four former directors were re-elected, including Police Colonel Thumnithi Wanichthanom, Mrs. Kaisri Nuengsigkapan, Professor Kitipong Urapeepatanapong, and Mr. Thiraphong Chansiri. Among the four directors, Mrs. Kaisri Nuengsigkapan and Professor Kitipong Urapeepatanapong were independent directors qualified as nominated by the Board.

Regarding the nomination of the top executives, the Board of Directors considered and appointed the CEO according to the suggestions of the Remuneration Committee. The Remuneration Committee is also responsible for forming the succession plan for SCGP's CEO and top executive positions and proposing to the Board for consideration. This is to ensure a continuous and seamless performance of duties and operations. The CEO holds the authority and duty to perform administration and management tasks in SCGP as assigned by the Board. This authority and duty is stated in the Corporate Governance Policy section of this report, in the topic of Scope of Duties and Responsibilities of the Chief Executive Officer, and will be reviewed annually.

Succession Plan

Succession planning is an important tool to enable succession between each generation of executives to pass on visions, medium-term business development plans, and sustainable development goals. SCGP evaluates a high-performance employee group (or talent group) annually to see whether their characteristics, knowledge, and capabilities are aligned with SCGP's future organizational capabilities, such as Customer & Consumer – Linked Centricity and Technology & Digital Adaptability. In 2023, one new topic was added to these organizational capabilities, namely Continuous Self-improvement. SCGP will support the talent group's career path and employee development through different learning opportunities, both for professional development (Functional) and leadership development (Transformative Leadership). This will prepare employees to support SCGP's business expansion, both domestically and overseas, and rise to the rank of future leaders.

The Board of Directors established a policy and guidelines for the nomination and development of the Chief Executive Officer and the top executives in order to ensure that the nominated candidates possess the knowledge, skills, experience, qualifications, and characteristics (collectively known as "Leadership Competency") required for SCGP's goal achievement. Also, the Board of Directors determines an agenda for succession planning of the Chief Executive Officer and executives and its progress, at least once a year, with the Remuneration Committee's recommendations, and offers comments in a sincere, careful, fair, and unbiased manner to increase the successor pool, both domestic and international, with individuals who possess appropriate potential, qualification and competency. At least three candidates shall be nominated for each position. In 2023, the Board of Directors considered and followed up on the progress of succession planning and executive development twice at the January and August meetings.

The Chief Executive Officer (CEO) shall possess the knowledge, capability, experience and expertise in the fields of SCGP's core business and other businesses related to its products. Such knowledge, capability, experience, and expertise shall cover all elements throughout the pipeline, from upstream to downstream, including manufacturing processes, technologies, diverse and up-to-date packaging innovations, solutions offerings, and sales. The CEO shall be knowledgeable enough to expand SCGP's businesses in the local, regional and

international markets. Also, they shall be equipped with high leadership and be able to lead the organization and its employees towards its strategic goals.

SCGP annually formulates individual development plans for the Chief Executive Officer and executives. The plans are designed for different time periods, 1-3 years and 4-5 years. They will serve as guidelines for self-development and tools for improving essential business-related skills for enterprise leaders, such as strategic thinking, networking, leadership competency, talent competency, and the leadership pipeline. SCGP also establishes relocation plans for capability improvement on a wider scale to prepare its successors. The executive development plans include supporting the executives to attend the diverse corporate management programs, such as the Advanced Management Program (AMP), provided by the top global institutes, namely Harvard Business School, Stanford University, London Business School, IMD Business School, INSEAD, etc. The CEO will propose individual development plans to the Remuneration Committee to consider, approve, and report to the Board of Directors.

Director Development

In 2023, the Board of Directors approved the Board of Directors' development guidelines in accordance with the Corporate Governance and Nomination Committee's recommendations to ensure that the director development process is conducted systematically with proper procedures and recorded in written form. This aimed to help directors improve their skills and knowledge relating to their assigned responsibilities on a continuous basis and ensure that they receive up-to-date information. In 2023, the directors participated in the in-house seminar and discussion, focusing on the sustainable business and development of SCGP, which was organized in collaboration with The Siam Cement Public Company Limited (SCC). At the seminar, the directors and the Management exchanged information and opinions, debated and discussed thoroughly with experts from external institutes as follows :

Attendance of In-house Seminar and Discussion

Director	Inflation Reduction Act (IRA) (1.5 hours)	Generative Artificial Intelligence (Generative AI) (2 hours)	ESG Symposium 2023 (5 hours)	Discussion Session Between the Audit Committees of SCC, SCGP and SCGC* on the Internal Audit 4.0 (1.5 hours)	Growth Prospect and Investment Landscape of Indonesia (2 hours)	Task Force on Climate-related Financial Disclosures (TCFD) & ESG Governance Point of View for AC Perspective (2 hours)	Medium Term Plan (MTP) & Annual Plan (7 hours)
1. Mr. Prasarn Trairatvorakul	/	/	/		/		/
2. Mr. Thammasak Sethaudom	/		/		/		/
3. Police Colonel Thumnithi Wanichthanom							/
4. Mrs. Kaisri Nuengsigkapan	/	/	/	/	/	/	/
5. Mr. Chalee Chantanayingyong		/		/	/		/
6. Mrs. Pongpen Ruengvirayudh	/	/		/	/	/	/
7. Professor Kitipong Urapeepatanapong		/	/		/		/
8. Mr. Vanus Taepaisitphongse	/	/	/		/		/
9. Mr. Vibul Tuangsitthisombat					/		/
10. Mrs. Suphajee Suthumpun		/					/
11. Mr. Thiraphong Chansiri		/					/
12. Mr. Wichan Jitpukdee	/	/	/		/		/

*SCG Chemicals Public Company Limited is a subsidiary of SCC and a subsidiary of the same tier as SCGP.

SCGP determined that a summary of new or amended laws that were related to SCGP's operations was regularly submitted in the meeting agenda and reported to the Board of Directors by the Legal Advisor. Any inquiry was also answered by the Legal Advisor.

SCGP supported all the Directors for membership in the Thai Institute of Directors Association (IOD), in order for them to receive updates and knowledge that would be beneficial for the directors, and invited them to various programs of their interest. Also, the Company provided directors with important information or updates that emerged in 2023, including the key points of new or amended laws, and/ or the subjects that were interesting or related to SCGP's operations, as well as compiled the guidelines, manuals, and recommendations on corporate governance for listed companies established by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and the Thai Institute of Directors Association (IOD). In 2023, the directors participated in seminars held by external organizations, such as the Thai Institute of Directors Association (IOD), the Bank of Thailand (BOT), and the Office of Insurance Commission (OIC). The details were as follows :

- Mr. Chalee Chantanayingyong
- Integration : The Forgotten Cousin of M&A, IOD
 - Director Briefing 6/2023 : Sustainability Trends in Business Across Industries, IOD
- Mrs. Pongpen Ruengvirayudh
- Risk Management Program for Corporate Leaders, IOD
 - Engaging Board in ESG : The Path to Effective Sustainability, IOD
 - National Director Conference 2023 : Delivering "Net Zero" Together, IOD
 - Audit Committee Forum 2023 on the Topic of Detection of Accounting Irregularities in Fast Growing Business : The Role of Audit Committee, IOD
 - Cyber Resilience Leadership : Mission for Embracing the Future of AI & Cybersecurity, jointly held by BOT, SEC and OIC

Presently, 11 directors, amounting to 92% of total directors, participated in director training courses, such as the Director Certification Program (DCP) and the Director Accreditation Program (DAP). Details were recorded in the Board of Directors' Profile, under the Corporate Governance Structure and Important Information on the Board of Directors, Sub-committees, Executives, Employees, and others section of this report.

Since the commencement of SCGP share trading on the Stock Exchange of Thailand in October 2020, SCGP has continuously expanded its business, both domestically and overseas, both horizontally and vertically. It is important to equip directors and executives with knowledge in the prevention of insider trading and conflicts of interest, and the SCGP's Code of Conduct. In 2023, SCGP summarized the SCGP's Code of Conduct and guidelines on insider trading and conflict of interest prevention, of which details included policies, practices, prohibitions and examples, to enhance the understanding of all directors and executives (accounting for 100%). Also, SCGP's Board of Directors visited its subsidiaries in Thailand and Indonesia in order to observe their management and business growth, economic and social circumstances, and market expansion. On such an occasion, the Board had the opportunity to meet face-to-face with the subsidiaries' management and employees, and communicated the guidelines on corporate governance, code of conduct, and sustainable growth, as well as the organizational culture of SCGP.

In the case that there is any appointment of a new director, an orientation session will be held. The Company Secretary will act as a coordinator and prepare all related information of SCGP for the new director. Such information includes general information on SCGP's business, business

structure, structure of the Board of Directors, the Board of Directors' annual meeting schedule, Corporate Governance guidelines, Articles of Association, important laws, etc. Also, before attending their first Board of Directors' meeting, the new director will be arranged to meet the CEO and the CFO in order to receive the brief information on SCGP and its subsidiaries' operations. The aforementioned orientation session is done in line with the Board of Directors' development guidelines, which were approved by the Board of Directors as recommended by the Corporate Governance and Nomination Committee.

Directors' Performance Assessment

In 2023, the Board of Directors approved the adjustment of performance assessments for the Board of Directors and sub-committees as proposed by the Corporate Governance and Nomination Committee, and ensured that performance assessments of the Board of Directors and sub-committees as a whole were conducted, along with self-assessments, which were divided into three main topics : 1) Structure and qualifications of the Board of Directors/sub-committees; 2) Roles, duties, and responsibilities of the Board of Directors/sub-committees; and 3) Meeting attendance of the Board of Directors/sub-committees. The score achieved by the Board of Directors and all sub-committees is in the "Appropriate" range of above 90%.

Summary of the Board of Directors and the sub-committees' performance assessment results are as follows :

Board of Directors/Sub-committee	Appropriate (%)	Improvement Required (%)
1. Board of Directors	96	4
2. Audit Committee	97	3
3. Corporate Governance and Nomination Committee	100	0
4. Remuneration Committee	100	0

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



Individual Directors' Meeting Attendance and Remuneration Payment

Board of Directors' Meeting Attendance in 2023

Details of the Board of Directors' meeting attendance for the fiscal year ended December 31, 2023, are as follows :

Director	Meetings (number of meetings attended/number of meetings invited)					
	Board of Directors' Meeting				Annual General Meeting	
	January 1 - December 31, 2023				March 28, 2023	
Participation Method	Total		In Person	Via Electronic Channel	In Person	(%)
	No. of Meetings Attended	(%)				
1. Mr. Prasarn Trairatvorakul	8/8	100	8/8	-	1/1	100
2. Mr. Thammasak Sethadom	8/8	100	8/8	-	1/1	100
3. Police Colonel Thumnithi Wanichthanom	8/8	100	7/8	1/8	1/1	100
4. Mrs. Kaisri Nuengsigkapan	8/8	100	7/8	1/8	1/1	100
5. Mr. Chalee Chantanayingyong	8/8	100	8/8	-	1/1	100
6. Mrs. Pongpen Ruengvirayudh	8/8	100	8/8	-	1/1	100
7. Professor Kitipong Urapeepatanapong	8/8	100	7/8	1/8	1/1	100
8. Mr. Vanus Taepaisitphongse	8/8	100	8/8	-	1/1	100
9. Mr. Vibul Tuangsitthisombat	8/8	100	8/8	-	1/1	100
10. Mrs. Suphajee Suthumpun	8/8	100	6/8	2/8	1/1	100
11. Mr. Thiraphong Chansiri	8/8	100	4/8	4/8	1/1	100
12. Mr. Wichan Jitpukdee	8/8	100	8/8	-	1/1	100
Total number of meetings in 2023	8			1		
Percentage of Directors' Participation	100			100		

The Charter of the Board of Directors specified that the average attendance rate of the directors at the Board of Directors' meetings (including meetings through electronic channels) for each year must be at least 80%, and each director must attend at least 75% of the Board meetings held throughout the year.

Monetary Remuneration

For the remuneration of the Board of Directors and sub-committees in 2023, the 2023 Annual General Meeting (the 30th Meeting) held on March 28, 2023, approved the remuneration as proposed by the Board of Directors, which came into effect starting from the date of approval until the resolution of the shareholders' meeting decides otherwise. Remuneration details are as follows :

Committee	Position	Regular Remuneration (Baht)		Bonus (Baht)	Attendance Fee (Baht/ Person/ Meeting)
		Monthly	Annual		
Board of Directors (1 Chairman/ 11 Directors)	Chairman	150,000	-	The Board of Directors would receive a bonus in the amount not exceeding 0.5 percent of the dividend distributed to the Shareholders. The Board of Directors shall consider and determine the allocation and payment.	-
	Director	100,000	-		-
Audit Committee (1 Chairman/ 2 Members)	Chairman	-	150,000		60,000
	Member	-	100,000		40,000
Corporate Governance and Nomination Committee (1 Chairman/ 2 Members)	Chairman	-	120,000		45,000
	Member	-	100,000		30,000
Remuneration Committee (1 Chairman/ 2 Members)	Chairman	-	120,000		45,000
	Member	-	100,000		30,000

Other Remuneration

SCGP does not pay any remuneration or benefit other than those specified above to directors and committees' members.

The following table represents the monetary remuneration given by SCGP to directors, independent directors, and committees' members for the fiscal year ended December 31, 2023.

Table of Remuneration for the Board of Directors and Sub-committees in 2023 (January 1 - December 31, 2023)

Unit : Baht

Director	Board of Directors (12 persons)	Audit Committee (3 persons)	Corporate Governance and Nomination Committee (3 persons)	Remuneration Committee (3 persons)	Bonus Paid to Directors and Members of the Committees in 2023**	Total
1. Mr. Prasarn Trairatvorakul*	1,800,000.00	-	-	-	1,544,000.00	3,344,000.00
2. Mr. Thammasak Sethaodom	1,200,000.00	-	-	310,000.00	1,030,000.00	2,540,000.00
3. Police Colonel Thumnithi Wanichthanom	1,200,000.00	-	-	-	1,030,000.00	2,230,000.00
4. Mrs. Kaisri Nuengsigkapien*	1,200,000.00	510,000.00	-	-	1,030,000.00	2,740,000.00
5. Mr. Chalee Chantanayingyong*	1,200,000.00	340,000.00	-	-	1,030,000.00	2,570,000.00
6. Mrs. Pongpen Ruengvirayudh*	1,200,000.00	340,000.00	-	-	1,030,000.00	2,570,000.00
7. Professor Kitipong Urapeepatanapong*	1,200,000.00	-	300,000.00	-	1,030,000.00	2,530,000.00
8. Mr. Vanus Taepaisitphongse*	1,200,000.00	-	-	435,000.00	1,030,000.00	2,665,000.00
9. Mr. Vibul Tuangsitthisombat*	1,200,000.00	-	-	310,000.00	1,030,000.00	2,540,000.00
10. Mrs. Suphajee Suthumpun*	1,200,000.00	-	220,000.00	-	1,030,000.00	2,450,000.00
11. Mr. Thiraphong Chansiri	1,200,000.00	-	190,000.00	-	1,030,000.00	2,420,000.00
12. Mr. Wichan Jitpukdee	1,200,000.00	-	-	-	1,030,000.00	2,230,000.00
Total	15,000,000.00	1,190,000.00	710,000.00	1,055,000.00	12,874,000.00	30,829,000.00

Remarks : *Independent directors

**The directors' bonus paid in 2023 is calculated based on the 2022 annual dividend paid to the shareholders on April 24, 2023, and the 2023 interim dividend paid on August 22, 2023.

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

4) Director No. 8 is the Chairman of the Remuneration Committee.

2) Director No. 4 is the Chairman of the Audit Committee.

5) The ESG Committee and the Risk Management Committee do not receive any remuneration.

3) Director No. 7 is the Chairman of the Corporate Governance and Nomination Committee.

SCGP does not pay any remuneration or benefit other than those approved by the shareholders' meeting, as specified above, to directors and committees' members.

Remuneration Received by SCGP's Independent Directors as the Independent Director of Parent Company or Subsidiaries of the Same Tier as SCGP in 2023

Independent directors of SCGP who are independent directors of The Siam Cement Public Company Limited (SCC) and SCG Chemicals Public Company Limited (SCGC), a same-tier subsidiary, received the following remuneration from SCC and/or SCGC as follows :

Director	Position in SCC/SCGC	Total Remuneration (Baht)
1. Mr. Prasarn Trairatvorakul	Independent Director and Chairman of the Remuneration Committee (SCC)	4,515,689.94
2. Professor Kitipong Urapeepatanapong	Independent Director and Member of the ESG Committee (SCGC)	1,450,000.00

Remuneration Received by SCGP's Independent Directors as the Independent Director of SCGP's Subsidiaries in 2023

-N/A-

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 Co., Ltd. (SKIC), PT Fajar Surya Wisesa Tbk. (Fajar), Thai Containers Group Co., Ltd. (TCG), Phoenix Pulp and Paper Public Company Limited (PPPC), and TC Flexible Packaging Co., Ltd. (TCFP), for the fiscal year ended December 31, 2023.

(1) Siam Kraft Industry Co., Ltd. (SKIC)

(A) Board of Directors

As of December 31, 2023, the Board of Directors of SKIC consists of five members. The details on the Board of Directors' meetings participation are as follows :

Director	Position	Number of meetings attended/Total number of meetings
		January 1 - December 31, 2023
1. Mr. Wichan Jitpukdee*	Chairman	3/3
2. Mr. Karan Tejasen*	Director	3/3
3. Mr. Danaidej Ketsuwan*	Director	3/3
4. Mr. Sompob Witworrasakul*	Director	3/3
5. Mr. Wichan Charoenkitsupat*	Director	3/3

Remark : *Directors appointed by SCGP

(B) Directors' Remuneration

(1) Monetary Remuneration

-N/A-

(2) Other Remuneration

-N/A-

(2) PT Fajar Surya Wisesa Tbk. (Fajar)

(A) Board of Commissioners

As of December 31, 2023, the Board of Commissioners of Fajar consists of nine members. The details on the Board of Commissioners' meetings participation are as follows :

Commissioner	Position	Number of meetings attended/Total number of meetings
		January 1 - December 31, 2023
1. Mr. Wichan Jitpukdee*	Chairman	9/9
2. Mr. Wichan Charoenkitsupat*	Commissioner	9/9
3. Mr. Danaidej Ketsuwan*	Commissioner	9/9
4. Mr. Kitti Tangjitmaneesakda*	Commissioner	9/9
5. Ms. Vilia Sulistyio	Commissioner	9/9
6. Mr. Roy Teguh	Commissioner	4/4
7. Mr. Tony Tjandra	Independent Commissioner	9/9
8. Mr. Lim Chong Thian	Independent Commissioner	9/9
9. Mr. Sudarmanto Wiryodiatmo	Independent Commissioner	9/9

Remarks : *Directors appointed by SCGP

1) Mr. Roy Teguh was appointed as the Commissioner, effective from March 20, 2023.

(B) Audit Committee

As of December 31, 2023, the Audit Committee of Fajar consists of three members. The details on the Audit Committee's meetings participation are as follows :

Member	Number of meetings attended/Total number of meetings
	January 1 - December 31, 2023
1. Mr. Lim Chong Thian*	10/10
2. Ms. Elizabeth Linandi	10/10
3. Ms. Shiery	10/10

Remark : *Chairman of the Audit Committee

(C) Nomination and Remuneration Committee

As of December 31, 2023, the Nomination and Remuneration Committee of Fajar consists of three members. The details on the Nomination and Remuneration Committee's meetings participation are as follows :

Member	Number of meetings attended/Total number of meetings
	January 1 - December 31, 2023
1. Mr. Tony Tjandra*	3/3
2. Ms. Vilia Sulisty	3/3
3. Mr. Kurniawan	3/3

Remark : *Chairman of the Nomination and Remuneration Committee

(D) Commissioners' Remuneration

(1) Monetary Remuneration

For the fiscal year that ended on December 31, 2023, Fajar paid monetary remuneration of Rupiah 5,345,098,500 (Baht 12,617,639.52) to four commissioners and committees' members who are not SCGP's employees.

Commissioner	Monetary Remuneration Paid between Jan 1 and Dec 31, 2023 (Rupiah)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
1. Mr. Wichan Jitpukdee*	-	-	-	-
2. Mr. Wichan Charoenkitsupat*	-	-	-	-
3. Mr. Danaidej Ketsuwan*	-	-	-	-
4. Mr. Kitti Tangjitmaneesakda*	-	-	-	-
5. Mr. Roy Teguh	2,615,118,500	-	-	2,615,118,500
6. Mr. Tony Tjandra	1,349,980,000	-	-	1,349,980,000
7. Mr. Lim Chong Thian	660,000,000	-	-	660,000,000
8. Mr. Sudarmanto Wiryodiatmo	720,000,000	-	-	720,000,000

Remark : *Members who are directors or management of SCGP do not receive remuneration as directors of a subsidiary.

(2) Other Remuneration

-N/A-

(3) Thai Containers Group Company Limited (TCG)

(A) Board of Directors

As of December 31, 2023, the Board of Directors of TCG consists of eight members. The details on the Board of Directors' meetings participation are as follows :

Director	Position	Number of meetings attended/Total number of meetings
		January 1 - December 31, 2023
1. Mr. Wichan Jitpukdee*	Chairman	4/4
2. Mr. Hirofumi Hori	Director	2/4
3. Mr. Danaidej Ketsuwan*	Director	3/4
4. Mr. Tomohisa Ishimi	Director	4/4
5. Mr. Sompob Witworrasakul*	Director	2/4
6. Mr. Jakjit Klomsing*	Director	4/4
7. Mr. Karan Tejasen*	Director	4/4
8. Mr. Toshinobu Sada	Director	2/4

Remark : *Directors appointed by SCGP

(B) Directors' Remuneration

(1) Monetary Remuneration

-N/A-

(2) Other Remuneration

-N/A-

(4) Phoenix Pulp & Paper Public Company Limited (PPPC)

(A) Board of Directors

As of December 31, 2023, the Board of Directors of PPPC consists of seven members. The details on the Board of Directors' meetings participation are as follows :

Director	Position	Number of meetings attended/Total number of meetings
		January 1 - December 31, 2023
1. Mr. Wichan Jitpukdee*	Chairman	5/5
2. Mr. Suchai Korprasertsri*	Director	5/5
3. Mr. Wichan Charoenkitsupat*	Director	5/5
4. Mr. Masaya Masukawa	Director	5/5
5. Mr. Danaidej Ketsuwan*	Director	2/5
6. Mr. Som Narongrerknavin*	Director	5/5
7. Mr. Norio Ozawa	Director	4/5

Remark : *Directors appointed by SCGP

(B) Directors' Remuneration

(1) Monetary Remuneration

-N/A-

(2) Other Remuneration

-N/A-

(5) TC Flexible Packaging Co., Ltd. (TCFP)

(A) Board of Directors

As of December 31, 2023, the Board of Directors of TCFP consists of eight members. The details on the Board of Directors' meetings participation are as follows:

Director	Position	Number of meetings attended/Total number of meetings
		January 1 - December 31, 2023
1. Mr. Wichan Jitpukdee*	Chairman	2/2
2. Mr. Karan Tejasen*	Director	2/2
3. Mr. Hirofumi Hori	Director	2/2
4. Mr. Kenzo Sano	Director	2/2
5. Mr. Jakjit Klomsing*	Director	2/2
6. Mr. Sompob Witworrasakul*	Director	2/2
7. Mr. Danaidej Ketsuwan*	Director	2/2
8. Mr. Toshinobu Sada	Director	2/2

Remark : *Directors appointed by SCGP

(B) Directors' Remuneration

(1) Monetary Remuneration

-N/A-

(2) Other Remuneration

-N/A-

Table of Director Remuneration Received from Subsidiaries

No.	Company	Directors' Remuneration		
		Number of Directors/ Commissioners*	Monetary Remuneration** (Baht)	Other Remuneration (Baht)
1.	SKIC	5	-N/A-	-N/A-
2.	Fajar	9	12,617,639.52	-N/A-
3.	TCG	8	-N/A-	-N/A-
4.	PPPC	7	-N/A-	-N/A-
5.	TCFP	8	-N/A-	-N/A-

Remark : *Including directors/commissioners who resigned/retired during the year
**Paid as salary and bonus

Follow-up on the Oversight of Subsidiaries and Associated Companies

In 2023, the Board of Directors reviewed and approved the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Businesses, which had been

previously amended in 2020. The Board determined the framework and mechanisms for governing the policies and operations of important subsidiaries and associated companies. It also necessitated a yearly follow-up of the operations. Details are as mentioned below :

- **Appointment or Nomination of Candidates for Director or Executive Positions in the Subsidiaries and Affiliates**

To ensure that subsidiary companies efficiently comply with policy guidelines, goals, vision, medium-term business plans, and strategic plans, SCGP created a policy to appoint persons as the directors or executives in subsidiaries and associated companies proportionately to SCGP's shareholding in each subsidiary or associated company, unless the Board of Directors considers that having a lesser appointment does not affect the power of SCGP in formulating policies and conducting matters that have a significant effect on the financial status and operating results of that subsidiary or associated company. Regardless, there is an appropriate balance of power in that subsidiary or associated company. In addition, the persons to be appointed or nominated as the directors or executives in subsidiaries or associated companies must have qualifications as specified by the Board of Directors.

- **Determination of the Scope, Authority, Roles and Responsibilities of Directors and Executives that are SCGP's Representatives in Subsidiaries or Associated Companies for the Control or Participation in the Formulation of Policies Important to Business Operations**

Directors and executives of subsidiaries or associated companies who are appointed or nominated by SCGP have a duty to supervise the entry into any transactions or activities, which would have a significant effect on the financial status or performance of the subsidiary or associated company under their responsibility, as specified in the Delegation of Authority manual or the Articles of Association of the subsidiaries or associated companies. Before the subsidiaries or associated companies organize their own Board or shareholders' meetings to consider and approve proceeding with such matters, they must also be given consent/approval by SCGP's Board of Directors or at the shareholders' meeting (as the case may be).

- **Information Disclosures of the Subsidiaries**

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 expansions, large investment projects as approved by SCGP, and investments with other entrepreneurs.

- **Establishment of Appropriate and Comprehensive Internal Control System and Other Governance Mechanisms for the Subsidiaries Operating SCGP's Core Business**

Examples of internal control systems and governance mechanisms for the subsidiaries operating SCGP's core business are as follows :

- Subsidiaries' Insider Trading**

SCGP prohibits directors, executives, employees, or assignees of subsidiaries, including their spouses and underage children, from using SCGP's or subsidiaries' insider information, either derived from the performance of their duties or in any other way, which may create a material effect on SCGP's securities price for their own or others' benefit, whether directly or indirectly, and whether or not the effect will be rewarded.

- Regulation on Transactions Approval and Execution Authorization**

The Board of Directors of subsidiaries has the power to approve the subsidiary companies' matters in accordance with the scope of their duties as prescribed by law, the Articles of Association of the subsidiaries, and resolutions of the subsidiaries' shareholder meetings. SCGP stipulates that transactions or actions of the subsidiaries in the following matters must be approved by SCGP's Board of Directors or at SCGP's shareholders' meeting (as the case may be). These include approvals of the annual budget, dividend payments, auditor appointments (if not affiliated with an auditing firm in the same network as SCGP's auditors), capital increases or reductions resulting in a change in shareholding proportion, amendments to the Articles of Association, execution of connected transactions, sales or transfer of subsidiary's businesses, leasing/lending/guaranteeing/financial assistance, business dissolution, and any other transactions which are not normal business transactions. In these instances, subsidiaries shall adopt the criteria for calculating these transactions as prescribed in the notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand Commission regarding the acquisition or disposal of assets and/or connected transactions (as the case may be), and the application of mutatis mutandis.

Guidelines for Overseeing Conflicts of Interest of Directors, Executives, and Major Shareholders

The Board of Directors has established the Connected Transaction Policy and the Prevention of Conflicts of Interest Policy to ensure that SCGP can manage any cases involving directors, executives, and major shareholders of SCGP and its subsidiaries. These policies are in accordance with the Securities and Exchange Act, B.E. 2535 (as amended), the notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 on rules on connected transactions, and the notification of the Stock Exchange of Thailand (Bor Jor/ Por 22-01) on disclosures of information and operations of listed companies for connected transactions, B.E. 2546. They also strictly follow laws, regulations, announcements, and related orders. Directors, executives, or related persons of subsidiaries can only enter into transactions with subsidiaries with the permission of either the subsidiary's and/or SCGP's Board of Directors, and/or through the subsidiary's and/or SCGP's shareholders' meetings, as the case may be. Permission requirements are determined on a case-by-case basis according to the transaction size, determined using the transaction calculation criteria as prescribed in the notifications 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.

However, the aforementioned practices will not be applied if such a transaction is the transaction under a trade agreement and follows the same processes as transactions between persons of ordinary prudence and general counterparties in the same situation. Also, there shall be 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 making transactions that may cause a significant conflict of interest against the subsidiaries. To conduct such transactions, the subsidiaries' Board of Directors must be informed and must report such matters to SCGP's Board for consideration and approval.

2. The subsidiaries' directors shall not take part in the approval of transactions, whether directly or indirectly, involving their stakes or causing the conflict between their and the subsidiaries' interests.

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 which do not comply with the regulations on connected transactions.
- (B) Trading of SCGP's or its subsidiaries' insider, except those that have been publicized.
- (C) Use of property or business opportunities of SCGP or its subsidiaries which is considered as violation of the rules or general practices enforced by the Capital Market Supervisory Board.

Qualifications of Directors, Executives, and Controlling Persons

In the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Business, the Board of Directors established the qualifications of individuals who can be appointed or nominated as directors or executives in subsidiaries and associated companies. The Chief Executive Officer will appoint and transfer individuals to represent SCGP as directors or executives of subsidiaries and associated companies based on these qualifications. They must :

- a. have all necessary qualifications and do not exhibit any prohibited characteristics as prescribed by the law or the relevant requirements;
- b. have knowledge, capabilities, and experience beneficial to business operations and suitable for the performance of duties and responsibilities;
- c. have leadership skills and be able to give broad recommendations that will drive the subsidiary or associated company to achieve their objectives;
- d. have the ability to make reasonable decisions in accordance with SCG Packaging's Corporate Governance and Code of Conduct.

Agreements between the Company and Other Shareholders Regarding the Management of Subsidiaries and Associated Companies that are Significant to the Group Operations and Management :

PT. Fajar Surya Wisesa Tbk. (Fajar)

Deed of Undertaking on Fajar	
Parties	SCGP and PT Intercipta Sempana (PTICS)
Shareholding Proportion as of December 31, 2023	SCGP holds 55.24% of total shares. PTICS holds 44.48% of total shares.
Powers and Duties of the Board of Directors and the Board of Commissioners	<p>Board of Directors</p> <p>(1) The Board of Directors consists of not more than six directors, three of which are nominated by SCGP and two nominated by PTICS. One director must be qualified as an independent director.</p> <p>(2) The quorum of the Board's meeting consists of more than half of all directors, provided that at least one director nominated by PTICS must attend the meeting to form a quorum.</p> <p>(3) The Chairman of the Board of Directors must be appointed from one of the directors nominated by SCGP.</p> <p>(4) Any matter or action must be approved by a majority vote of the Board.</p> <p>Board of Commissioners</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's meeting consists of more than half of all commissioners, provided that at least 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>
Important Administrative Requirements	<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"> • Amendments to company incorporation documents • Changes in the dividend policy • Acquisitions • Mergers or acquisitions by any group of companies • Incorporation of debt or funding totaling more than USD 50 million • Entering into, amending, altering, or terminating a major agreement of any group of companies with a value exceeding USD 10 million.
Dividend Payments	<p>If Fajar's actual investment costs during the relevant accounting period does not exceed USD 20 million, Fajar will pay dividends of at least 50% of the net profit.</p> <p>If Fajar's actual investment costs during the relevant accounting period are greater than USD 20 million but less than USD 100 million, Fajar will pay dividends between 30-50% of net profit.</p> <p>If Fajar's actual investment costs during the relevant accounting period are more than USD 100 million, Fajar will pay dividends of at least 30% of the net profit</p>

Thai Containers Group Co., Ltd. (TCG)

Agreement between Shareholders of TCG	
Parties	SCGP and Rengo Co., Ltd. (RENGO)
Shareholding Proportion as of December 31, 2023	SCGP holds 70.00% of total shares. RENGO holds 30.00% of total shares.
Powers and Duties of the Board of Directors	<ol style="list-style-type: none"> (1) The Board of Directors consists of ten directors, seven of which are nominated by SCGP and another three nominated by Rengo. (2) The Chairman of the Board and the Managing Director of TCG must be appointed from the directors nominated by SCGP. (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. (4) Unless otherwise specified in the important administrative requirements, any matter or action must be approved by a majority vote of the Board.
Important Administrative Requirements	<p>The following matters require approval by a majority vote of the directors attending the Board meeting, provided that such majority includes at least one director nominated by Rengo :</p> <ol style="list-style-type: none"> (1) Significant changes in the nature of TCG's business, including but not limited to (a) the creation, relocation, dissolution, or divestment of a subsidiary, and (b) a merger, acquisition, or any other form of amalgamation with other companies (2) Investing in any other company or juristic person, or acting on behalf of TCG as a shareholder or partner in another company or juristic person, such as in a joint venture (3) Lending money or providing insurance for the benefit of other companies or juristic persons, except SCGP or a subsidiary of TCG (4) Issuance of new shares or capital reduction of TCG (5) Any dividend payment from TCG (6) Entering into any contract or agreement that is material to TCG.
Shareholders' Meeting	<ol style="list-style-type: none"> (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. (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"> (2.1) Amendment, cancellation or certification of TCG's Memorandum of Association and Articles of Association (2.2) Capital increase or issuance of new shares (2.3) Capital reduction (2.4) Issuance of debentures (2.5) Mergers and acquisitions (2.6) Liquidation of TCG. (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"> (3.1) Appointment or discharge of directors and auditors (3.2) Directors' and auditors' remuneration (3.3) Cash or stock dividend payment (3.4) Acquisition of all or a substantial portion of the business of any other person or juristic person (3.5) Transfer of TCG's core business and of all or a substantial portion of TCG's assets.
Dividend Payments	The parties must comply with the requirements under the Civil and Commercial Code of Thailand. TCG must also declare all profits after taxes each year unless the parties agree otherwise. However, if TCG affiliates suffer losses, dividends must be agreed upon by both parties.

Phoenix Pulp & Paper Public Company Limited (PPPC)

PPPC Joint Venture Agreement	
Parties	SCGP and Nippon Paper Industry Co., Ltd. (NPI)
Shareholding Proportion as of December 31, 2023	SCGP holds 69.58% of total shares. NPI holds 30.00% of total shares.
Powers and Duties of the Board of Directors	<ol style="list-style-type: none"> (1) The Board of Directors consists of seven directors, five of which are nominated by SCGP and another two nominated by NPI. (2) The quorum of the Board's meeting consists of more than half of total directors. (3) The Chairman of the Board must be appointed from the directors nominated by SCGP and serves as the chairman at the shareholders' and the Board's meetings. The Vice-Chairman may be appointed from the directors nominated by NPI. (4) The Managing Director of PPPC must be appointed from the directors nominated by SCGP. (5) Matters must be approved by a majority vote of the Board.
Important Administrative Requirements	<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"> (1) Approval of a business plan that is longer than 12 months (2) Proposals to the shareholders' meeting to approve dividend payments and the announcement of the interim dividend (3) Listing of PPPC on the Stock Exchange of Thailand (4) Transactions worth more than Baht 30 million between PPPC and its shareholders or directors (5) Acquisition of shares in other companies or disposal of a shareholding in a subsidiary (6) Entering into guarantees for claims worth more than Baht 50 million.
Shareholders' Meeting	<ol style="list-style-type: none"> (1) The shareholders' meeting must consist of at least 25 shareholder attendees, or not less than half of the total number of shareholders, with a total number of shares in proportion to not less than 50% of the total shares issued by PPPC. (2) Any matter must be approved by the affirmative votes of more than 50% of the total number of shares of the shareholders attending the meeting and eligible to vote. (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"> • Amendment of the Memorandum of Association and Articles of Association • Increase or reduction of capital • Mergers • Payment of stock dividend • Acquisition of the business of another person or juristic person • Transfer of the PPPC's business or substantial assets. (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"> • Directors' remuneration • Appointment and remuneration of the auditors • Investment in other company or business entity.
Dividend Payments	Dividend payments must be made in accordance with the resolution of the shareholders' or the Board of Directors' meeting, as the case may be. However, PPPC will pay dividends at an agreed-upon percentage of the net profit, depending on the performance of PPPC and its subsidiaries and the provision of reserves as required by law.

TC Flexible Packaging Co., Ltd. (TCFP)

Agreement between Shareholders of TCFP	
Parties	TCG and RENG0
Shareholding Proportion as of December 31, 2023	TCG holds 75.00% of total shares. RENG0 holds 20.00% of total shares. HOWA holds 5.00% of total shares.
Powers and Duties of the Board of Directors	<ol style="list-style-type: none"> (1) The Board of Directors consists of eight directors, five of which are nominated by TCG and another three are nominated by RENG0. (2) The Chairman of the Board and the Managing Director must be appointed from the directors nominated by TCG. (3) The quorum of the Board's meeting consists of at least five directors, of which one director nominated by RENG0 must attend the meeting to form a quorum. (4) Unless otherwise specified in the important administrative requirements, any matter or action must be approved by a majority vote of the Board.
Important Administrative Requirements	<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 RENG0 :</p> <ol style="list-style-type: none"> (1) Significant changes in the nature of TCFP's business operations, including but not limited to : <ol style="list-style-type: none"> (a) the creation, relocation, dissolution, or divestment of subsidiary companies; (b) mergers and acquisitions or any other form of amalgamation with other companies; and (c) any business start-up other than TCFP's current business. (2) TCFP's investment in any company or juristic person as a shareholder or partner in another company or juristic person, such as a joint venture (3) Lending or providing a guarantee for the benefit of another company or any juristic or natural person (4) Issuance of new shares or capital reduction of TCFP (5) Any dividend payment from TCFP (6) Entering into any contract or agreement that is material to TCFP (7) Acquisition of all business or all significant parts of the business of other persons.
Shareholders' Meeting	<ol style="list-style-type: none"> (1) An ordinary general shareholders' meeting must have shareholders attending in person or by proxy accounted for more than 50% of the total paid-up shares of TCFP, and RENG0 must attend the meeting to form a quorum. (2) A resolution will be considered a special resolution when it is passed by a majority of more than three-fourths of the total number of shares of the shareholders who attend the meeting and are eligible to vote. (3) The following matters must be decided at an ordinary or extraordinary general meeting of shareholders by a special resolution : <ol style="list-style-type: none"> (3.1) Amendment, cancellation or certification of TCFP's Memorandum of Association and Articles of Association (3.2) Capital increase or issuance of new shares (3.3) Capital reduction (3.4) Issuance of debentures (3.5) Mergers and acquisitions (3.6) Liquidation of TCFP (3.7) Election or discharge of directors and auditors (3.8) Directors' and auditors' remuneration (3.9) Cash or stock dividend payment (3.10) Transfer of TCFP's core business and any transfers of or commitments for contingent liabilities on a substantial portion of assets or all assets of TCFP.
Dividend Payments	The counterparty must comply with the requirements under the Civil and Commercial Code of Thailand. A portion of the income must be reserved for TCFP expansion and/ or investment in accordance with TCFP policy, and TCFP must pay dividends equal to 50% of its net profit after tax.

Monitoring of the Corporate Governance Policies and Practices Compliance

SCGP has performed monitoring activities to ensure the strict compliance with SCG Packaging's Corporate Governance Handbook, especially with regards to amendment and new agenda approved by the Board of Directors in 2023. The Management was assigned to announce such information to all employees and arrange training sections to encourage and promote accurate and appropriate adherence.

The following six aspects of SCGP's corporate governance were monitored to ensure the compliance :

(1) Prevention of Conflicts of Interest

SCGP outlines the clear shareholding structure and prohibits cross holding between the Company and its major shareholders in order to prevent any conflict of interest against either of the parties. The shareholding structures of SCGP and its subsidiaries are disclosed in the annual report. Moreover, SCGP follows up the compliance with the Prevention of Conflicts of Interest Policy to ensure that it is practiced to maximize SCGP's interests. Details are as follows :

- 1) Communicate and raise awareness of the prevention of conflicts of interest among employees from all levels through infographic media and SCGP's intranet network. Also, the employees are required to annually take the Ethics e-testing on the determined topics.
- 2) Prepare the summary of SCGP's corporate governance practices, on the topic of conflict of interest prevention for the directors.
- 3) Require that the directors and executives notify the Company Secretary when noticing any potential conflict of interest in their relationship or transaction with SCGP or its subsidiaries. The Company Secretary shall submit the conflict of interest report to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days from the date of receiving the notification.
- 4) The Internal Audit Office shall be able to access the related data and information in order to review connected transactions and trade agreements with general trading conditions between SCGP or its subsidiaries and the directors, executives, or related persons, and regularly report the matters to the Audit Committee on a quarterly basis.

In 2023, there were two cases related to conflict of interest transactions. The penalty had been enforced as per the Company's regulations.

(2) Prevention of Insider Trading

Use of the Company's Insider Information

SCGP monitors the use of insider information, or material information that has not yet been disclosed to the public, which can lead to changes in the price or value of SCGP securities. The Board of Directors has established the Insider Information Management and IT Governance Policy so that all directors, executives, and employees can perform their duties and communicate correctly. The use of insider information must be within the limits of assigned duties and responsibilities. Public disclosure of insider information, including any communications related to insider information, must only be approved by the Chief Executive Officer, the Chief Financial Officer, or those who have been assigned. SCGP has also prepared a summary of SCGP's corporate governance practices, centering on the use of insider information, for the directors to refer to.

In 2023, there was no incident that contradicted these policies.

Measures on Prohibition of Securities Trading

The Board of Directors has established measures to prohibit securities trading (Blackout Period). In addition, directors, executives (including those holding executive positions in accounting or finance as department managers or equivalent level), and employees in departments related to insider information, including spouses, cohabiting couples, or underage children of persons who have received insider information, must not trade in or enter into future or forward contracts for the securities of SCGP, the listed companies which are subsidiaries or associated companies of SCGP, or other listed companies related to insider information for one month before the disclosure of quarterly and annual financial statements, and within 24 hours after the public disclosure of the financial statements.

In addition, directors, executives (including those holding executive positions in accounting or finance as department managers or equivalent level), and employees in departments related to insider information, including spouses, cohabiting couples, or underage children of persons who have received



insider information of SCGP, the listed companies that are subsidiaries or associated companies of SCGP, or other listed companies related to insider information, must not trade in the securities of said companies for 24 hours after the insider information has been publicly disclosed in full.

The Company Secretary will give prior notification to SCGP's directors, executives, and management of the departments related to insider information of the Blackout Period so as to ensure that the information is not used for personal benefits. In 2023, no directors, executives or management traded in SCGP securities during the Blackout Period.

Reporting on Holdings and Changes in Securities and Derivatives Holdings

Under the Insider Information Management and IT Governance Policy, SCGP must inform the Board of Directors and executives, including those holding managerial positions in accounting or finance (and are department managers or equivalent), of their duties regarding the preparation, disclosure, and submission of reports of their holdings and changes in their securities holdings and derivatives holdings –including holdings of their spouse, cohabitant, underage children, and the juristic persons in which they, with their spouse, cohabitant, and underage children, collectively hold the shares

exceeding 30% of the total number of shares with voting rights (and such proportion is considered as majority shareholding). These reports are submitted to the Securities and Exchange Commission (SEC) in accordance with the provisions of the Securities and Exchange Act, the notifications of the Securities and Exchange Commission, relevant notifications of the Capital Market Supervisory Board, and relevant penalties under the law. The securities trading intention shall be notified to the Company Secretary at less one business day prior to the actual proceeding via phone, email or other means. The notification can also be done by the submission of SCGP's Securities Trading Intention Form. Moreover, the reports on holdings and changes in securities and derivatives holdings must be submitted to the Company Secretary before submission to the SEC Office. The Company Secretary must compile and report holdings at the Board of Directors' meeting for the Board's awareness and acknowledgment. Securities holdings and changes are one of the agenda topics at the Board of Directors meetings.

The public disclosure of essential information shall be done in accordance with the Disclosure Policy, which clearly determines the persons entitled to disclose information and their duties. Such persons are allowed to disclose information only in line with the authority set forth by SCGP.

(3) Human Rights

SCGP has established the Human Rights Policy, Diversity and Inclusion Policy, and other international regulations. The policies have been put into practice by the ESG Committee. Risks to human rights, both in SCGP's own operations and the supply chain, are assessed for the establishment of the Human Rights Risk Management Plan. The plan is focused on the effective, preventive actions against human rights violations. For example, the fair, transparent, and competency-based recruitment and selection policy is set to ensure equality in the recruitment processes, regardless of religious belief, age, race, sex and education. Enforced through a committee system, the policy serves as guidelines for practices, both domestic and overseas. The Internal Audit Office monitors the compliance of Human Rights Policy during the annual audit and provides whistleblowing channels for employees and internal personnel. In 2023, according to the audit and whistleblowing reports, there was one case on sexual harassment. The penalty had been enforced as per the Company's regulations.

(4) Use of Information Technology

SCGP places importance on the efficient and safe use of information technology. The Company has established the e-Policy, stating the use of information technology as approved by the Chief Executive Officer, IT director, or other authorized persons, and the preventive measures for computer and information security. Also, the Cyber Security Governance Committee is appointed to oversee the IT security of SCGP and ensure its compliance with SCGP's business approach, cyber threat prevention, and efficient operations.

The Internal Audit Office audits the sufficiency of internal control systems over information security annually and reports results to the Audit Committee. In 2023, There were no significant violations.

(5) Anti-Corruption

The Board of Directors approves the Anti-Corruption Policy, as agreed by the Corporate Governance and Nomination Committee, and regularly reviews its appropriateness. The Anti-Corruption Policy is disclosed on SCGP's official website (www.SCGPackaging.com) in the section on Corporate Governance.

SCGP is continuously committed to complying with the Anti-Corruption Policy through its certification as a Certified Company by the Thai Private Sector Collective Action Against Corruption (CAC) on March 31, 2022.

To set the tone at the top, the Chief Executive Officer communicates, via the "Message from CEO", to all employees to strictly adhere to SCG Packaging's Code of Conduct and Anti-Corruption Policy and consistently emphasizes the importance of policy compliance. The Management is tasked with raising awareness on the matter, promoting trustworthy operations, and becoming a role model for all employees. In addition, as the first line of defense, the Management must assess risks, establish appropriate measures, promote, communicate, and comply with the Anti-Corruption Policy, and raise awareness among employees regarding actions that are susceptible to corruption and the potential damage they might cause. The Management must regularly analyze indications and assess corruption risks, create a preventative system including risk mitigation and control, assign responsible persons, define follow-up measures, review and assess risk management so that employees can use the guidelines to prevent corruption. The Internal Audit Office shall assess and conduct a follow-up on good corporate governance and compliance with the Code of Conduct and the Anti-Corruption Policy when auditing.

In 2023, SCGP still performed the following efforts to raise awareness among employees of all levels on the strict compliance with Anti-Corruption Policy.

1. The SCG Packaging's Code of Conduct was reviewed to ensure its consistency with the current practices and translated into Vietnamese and Indonesian. The learning plans were established and communicated to the employees. Also, the whistleblowing channels were provided in English, Indonesian, and Vietnamese.
2. SCG Packaging's Code of Conduct was implemented within the subsidiaries overseas as the guidelines for the Group's directors, management, and employees of all levels. This was to ensure their understanding and performance in line with SCGP's principles and measures.

3. The Board of Directors reviewed and approved SCG Packaging's Code of Conduct, Anti-Corruption Policy, measures on corruption prevention in line with business changes, and other related regulations that were disclosed and communicated to all directors, executives, and employees (100% of SCGP's personnel) through various channels, such as email and SCGP's website to raise awareness and encourage implementation and monitoring of strict compliance.

4. Executives and employees were equipped with knowledge about anti-corruption via various methods as follows :

- 1) Held ethics and Anti-Corruption Policy training through various courses, for example, orientation, Business Concept Development course, etc. in order to set the organizational culture;
- 2) Encouraged employees of all levels to develop an understanding and awareness of responsibility and accountability on risk mitigation and good internal control for anti-corruption efforts. Also, essential corruption case studies were communicated to showcase the responsibilities in line with the Three Lines Model.
- 3) Distributed infographics on ethics and anti-corruption in various languages, including Thai, English, and Vietnamese to raise awareness among employees and encourage compliance. Also, various activities were carried out, including communication through newsletters, online and on-site seminars, etc. to raise awareness among the employees in Indonesia.
- 4) Established online content on SCG Packaging's Code of Conduct, Anti-Corruption Policy, and related policies. All employees should confirm their understanding and acknowledgement of such content. Then, they shall test their knowledge and understanding in SCG Packaging's Code of Conduct and Anti-Corruption Policy by taking the Ethics e-Testing, which has been held for 9 consecutive years. The Ethics e-Testing consists of 3 levels, each is in line with employees' responsibilities and duties, and is to be reviewed testing content annually.

In 2023, the topic of Environment, Health and Safety was added to comply with the ESG 4 Plus guidelines, and all attending employees passed the test with a score of 100%.

5) The Internal Audit Office held seminars and workshops for high-risk departments to raise awareness of the First Line in assessing risks and establishing preventive and control measures. The Internal Audit Office also regularly audited anti-corruption matters during audit activities, made videos and held workshops to communicate and promote understanding among departments and employees in SCGP.

5. Disseminated anti-corruption guidelines to suppliers and encouraged them to apply for the certification as a Certified Company of the Thai Private Sector Collective Action Against Corruption (CAC). Also, SCGP encouraged its suppliers to implement the good citizenship principles and practices in parallel with the good governance in the business for substantial benefits to communities, society, and the environment beyond legal and regulatory requirements. Moreover, SCGP reviewed SCG Packaging's Supplier Code of Conduct to ensure its consistency with current policies and operations on PDPA, human rights and reception of complaints and whistleblowing. In 2023, there were 62 suppliers certified as the Certified Companies and 17 suppliers applied for the certification.
6. Established the No Gift Procedure and communicated to employees of all levels in order to raise awareness, ensure transparency, and prevent conflicts of interest which may lead to corruption.
7. Provided a whistleblowing system, which is supervised by the Internal Audit Office, an independent unit under the direct control of the Audit Committee, to receive reports regarding violations of laws, regulations, Articles of Association, and Code of Conduct. SCGP had clearly defined procedures for investigation, follow-up, control, and corrective processes.

In 2023, there were no violations of the Anti-Corruption Policy.

(6) Whistleblowing

SCGP established the mechanism to receive complaints and whistleblowing and to proceed with the actions required on the reported non-compliance with laws, regulations, and Code of Conduct or the suspected corruption committed by SCGP's personnel. The whistleblower protection measures in line with the Whistleblowing Policy are also provided as clear guidelines for accurate actions. The Policy has regularly been reviewed to

ensure its appropriateness. SCGP provides various channels for whistleblowing in many languages, such as Thai, English, Indonesian, and Vietnamese that can be accessed at any time. Also, Whistleblowing can be done through verbal or written reports, such as in the form of a letter or email. SCGP will also keep the information confidential and protection to the whistleblower as prescribed in the Whistleblowing Policy.

In 2023, there were cases involving non-compliance with laws, SCGP's regulations, the Anti-Corruption Policy, the SCG Packaging's Corporate Governance Policy, SCG Packaging's Four Core Values, the Code of the Conduct or Supplier Code of Conduct as stated below :

Report of Violations	Number of Complaints (Subject)
Total Number of Complaints	15
Number of Complaints Completely Investigated	12
Category of the Complaints Completely Investigated	
1. Unethical or Corruption-Related Practice	
1.1 Conflict of Interest	2
1.2 Corruption	-
1.3 Violation of Human Rights	
1.3.1 Sexual Harassment	1
1.3.2 Other Harassment	-
1.3.3 Discrimination	-
1.4 Antitrust	-
1.5 Personal Data Protection	-
1.6 Insider Trading	-
1.7 Others	-
2. Non-Compliance with SCGP's Regulations	4
3. Not Comply with the Complaints	5

The aforementioned cases caused no material damage to SCGP's financial report. Findings from the investigations were considered to determine future procedures and preventive guidelines. In addition, the Audit Committee reviewed all related practices, measures, and guidelines for the prevention of possible corruption in various systems, risk assessment, and suitability for ongoing business conditions.

There were no complaints on violations of Anti-Corruption Policy, Antitrust Policy, SCGP Privacy Policy, and insider trading.

Report on the Audit Committee's Performance in the Past Year

Meetings Attendance of Individual Audit Committee Members

Audit Committee Meetings

Members of the Committee	Number of meetings attended/Total number of meetings
	January 1 - December 31, 2023
1. Mrs. Kaisri Nuengsigkapan	6/6
2. Mr. Chalee Chantanayingyong	6/6
3. Mrs. Pongpen Ruengvirayudh	6/6
Total number of meetings in 2023	6
% meeting attendance	100

Performance of the Audit Committee in 2023 is shown in the Audit Committee's Report on pages 10-13.

Performance of Other Sub-committees

Corporate Governance and Nomination Committee

In 2023, the meetings and attendance rates of the Corporate Governance and Nomination Committee were as follows :

Members of the Committee	Number of meetings attended/Total number of meetings
	January 1 - December 31, 2023
1. Professor Kitipong Urapeepatanapong	4/4
2. Mrs. Suphajee Suthumpun	4/4
3. Mr. Thiraphong Chansiri	3/4
Total number of meetings in 2023	4
% meeting attendance	92

Performance of the Corporate Governance and Nomination Committee in 2023 is shown in the Corporate Governance and Nomination Committee's Report on pages 14-15.

Remuneration Committee

In 2023, the meetings and attendance rates of the Remuneration Committee were as follows :

Members of the Committee	Number of meetings attended/Total number of meetings
	January 1 - December 31, 2023
1. Mr. Vanus Taepaisitphongse	7/7
2. Mr. Vibul Tuangsitthisombat	7/7
3. Mr. Thammasak Sethaudom	7/7
Total number of meetings in 2023	7
% meeting attendance	100

Performance of the Remuneration Committee in 2023 is shown in the Remuneration Committee's Report on page 16.

ESG Committee

In 2023, the meetings and attendance rates of the ESG Committee were as follows :

Member (Position in SCGP)	Number of meetings attended/Total number of meetings
	January 1 - December 31, 2023
1. Chief Executive Officer	4/4
2. Technology and Digital Platform Director	2/4
3. Regional People Caring Director	3/4
4. Innovation and Product Development Director	4/4
5. Chief Financial Officer and in Charge of Packaging Materials Recycling Business	4/4
6. Strategy and Growth Director	3/4
7. Recycling Materials Management Director	3/4
8. Sourcing Management Director	4/4
9. Engineering Director	3/4
10. Safety and Productivity Management Manager	4/4
11. Manager - Compliance Management and BCM	4/4
12. Manager - Brand Management	4/4
13. Chief Operating Officer, Fibrous Business/ Global Food Service Packaging Head	4/4
14. People Caring Director	2/2
15. Director - PPPC Mill	4/4
16. Director - TPC Mill	3/4
17. Managing Director, SFT	4/4
18. Chief Operating Officer, Packaging Paper Business	2/4
19. Director - Banpong Mill	3/4
20. Director - Wangsala Mill	3/4
21. Managing Director, Thai Cane Paper	3/4
22. Director - Energy Division	4/4
23. Enterprise Marketing Director	4/4
24. Manager (President & CEO, UPPC)	2/4
25. General Director, VKPC	4/4
26. President Director, Fajar	3/4
27. Chief Operating Officer, Fiber Packaging Business	4/4
28. Manufacturing Director TCSP	4/4
29. Director of CIP Regional Operation	4/4
30. Chief Operating Officer, Consumer and Performance Packaging Business	4/4
31. General Director CIP-Vietnam	2/2
32. President Director-Intan Group	2/2
33. Investor Relations Director	2/2
34. ESG and Sustainability Director	4/4
35. ESG Associate Director	4/4
Total number of meetings in 2023	4
% meeting attendance	89

Remark : Directors No. 31 - 33 are appointed as the commissioners of the ESG Committee, effective from August 3, 2023.

Performance of the ESG Committee in 2023 is shown in the ESG Committee's Report on page 17.

Risk Management Committee

In 2023, the meetings and attendance rates of the Risk Management Committee were as follows :

Member (Position in SCGP)	Number of meetings attended/Total number of meetings
	January 1 - December 31, 2023
1. Chief Executive Officer (Director)	4/4
2. Chief Financial Officer and in Charge of Packaging Materials Recycling Business	4/4
3. Chief Operating Officer, Consumer and Performance Packaging Business	4/4
4. Chief Operating Officer, Fiber Packaging Business	4/4
5. Chief Operating Officer, Packaging Paper Business	4/4
6. Chief Operating Officer, Fibrous Business	4/4
7. Chief Regional Officer	4/4
8. Director of the Internal Audit Office	4/4
9. Enterprise Marketing Director	4/4
10. Global Foodservice Packaging Head	4/4
11. Technology and Digital Platform Director	4/4
12. Safety and Productivity Management Manager	4/4
13. Strategy and Growth Director	4/4
14. Manager - Planning & Risk Management	4/4
Total number of meetings in 2023	4
% meeting attendance	100

Performance of the Risk Management Committee in 2023 is shown in the Risk Management Committee's Report on page 18 and the Risk Management section of this report on page 72-82.





9

**Internal Control
and Related Transactions**

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. 248 (8/2023) was held on December 7, 2023 and was attended by all 3 members of the Audit Committee. The Board of Directors assessed the internal control systems of SCGP and its subsidiaries according to the Securities and Exchange Commission's (SEC) internal control sufficiency evaluation form, which was based on the 5 components of the COSO 2013 internal control framework (The Committee of Sponsoring Organizations of the Treadway Commission) : Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. These had all been reviewed by the Audit Committee. The Board of Directors agreed that the internal control system of SCGP and its subsidiaries was adequate, appropriate, and did not have any significant deficiencies. SCGP and its subsidiaries provided a sufficient number of personnel to effectively comply with laws, regulations, policies, ethics, and guidelines. In addition, there was a system for controlling and supervising the operations of the Company and its subsidiaries so that assets could be protected from improper or unauthorized use by directors or executives. This included transactions with persons who presented a conflict of interest and connected persons.

The Board of Directors encouraged the executives and employees to be aware of, and focus on good corporate governance, risk management, operational supervision and internal controls. This was done by referring to international standards in operations and applying the appropriate information technology system to operate in accordance with the good internal control system with efficiency and effectiveness.

In 2023, the executives, as the supervisory successors of the Board of Directors, promoted the development of tools to respond to evolving risks, to creating a preventive operational system for the business, both domestically and internationally. The principles have been approved and support has been provided to present a better internal control system from the previous year. Details are as follows :

1. Proactive and Preventive System

The Company expanded its businesses domestically and globally. The key factor enabling SCGP to achieve its goals and be sustainable growth is its employees, who perform their duties with integrity and ethics following the Code of Conduct. To promote morality and ethics, SCGP has set up a Proactive and Preventive System which consists of the following :

1.1 SCG Packaging's Code of Conduct

- Reviewing and updating SCG Packaging's Code of Conduct regularly for clarity, coverage, and compliance with relevant policies, national and international good corporate governance, and current business operations. Examples of correct compliance with the Code of Conduct are communicated. Prepare the Code of Conduct manual in Vietnamese in addition to Thai, English, and Indonesian editions, and disseminate and communicate to ensure full understanding among all directors, executives, and employees (100%) through channels such as email and the Company's website. The manual is used as a guideline to promote practices and monitor to ensure strict compliance. Learning plans have been established and communicated to allow all levels of employees to understand the guidelines and apply them appropriately in the context of each country.
- Reviewing and providing online content of SCG Packaging's Code of Conduct, the Anti-Corruption Policy, and other related policies that everyone must understand and acknowledge. Conducting the Ethics e-Testing to promote awareness and educate employees at all levels for the 9th consecutive year. The e-Policy e-Testing was administered for the 7th consecutive year. All employees who took the test achieved a 100% passing score. Test answers were also analyzed,

then communicated to all employees to ensure they had an accurate understanding of the concepts. The test is also reviewed annually to reflect current risks. The scale of the test includes high-risk professional groups, such as procurement, government relations, sales and marketing, etc. In 2023, the topic of environment, health, and safety was added to be in line with the ESG 4 Plus. Apart from the Code of Conduct and the Anti-Corruption policy, the test covered the Personal Data Protection Act (PDPA), integrated governance, risk management and compliance (Integrated GRC), and sustainable corporate development (ESG 4 Plus).

- Monitoring the compliance with SCG Packaging's Code of Conduct and SCG Packaging's Supplier Code of Conduct through the operations of Internal Audit Office in assessing the efficiency and effectiveness of internal control for SCGP and its local and overseas subsidiaries.

1.2 Adopting the Three Lines Model, which is an internationally recognized approach that serves as a framework for the performance of all stakeholders, including the Governing Body, the management, employees and the Internal Audit – to apply to company operations. The management team represents the First Line role, which is the most important part in driving the success and efficiency of the Three Lines Model in terms of risk assessment, control design, monitoring, and assessment. There is also a need for coordination and information exchange across both the management team and the Internal Audit Office. Additionally, SCGP fosters awareness through various methods, such as assigning the top First Line person of the Company/unit to communicate with employees and organizing workshops on the practical application and execution of the approach. The management team closely supervises the First and Second Lines and communicates with the governing body in a two-way manner.

1.3 Communicate and organize 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 or emerging risks in practice and performance through

internal and external case studies arising from the new working style, which is driven by digital technology, to raise awareness among employees and to prevent similar cases from reoccurring.

1.4 Evaluating the internal control system; this includes the operating system and information technology system for the M&P companies, both domestic and overseas, to review the adequacy of the internal control system and whether or not it is suitable for SCGP's business operations. Recommendations on good practices, and on how to establish a Proactive and Preventive System to reduce risks in business operations were also made.

1.5 Reviewing and revising the Approval Authority Manual of the Company and its subsidiaries to reinforce work flexibility and be in line with the fast-growing domestic and overseas operations, while maintaining appropriate internal control.

2. Integrated Governance, Risk Management, and Compliance (Integrated GRC)

SCGP has conducted and elevated its governance, risk management, and compliance (GRC) practices to meet international standards (Integrated GRC), enhance efficiency and effectiveness, and reduce redundant activities in SCGP's operations. This is being done across activities such as governance, strategy formulation, risk management, and results monitoring. In 2023, the inception of data integration helped disclose information critical to operations on the same platform among all business units. This ensured continual activities and contributions to the entire operation, developing an internal control system, and more efficient operations and decision-making. Top executives also communicated to employees the importance of adopting Integrated GRC when performing duties to achieve sustainable business growth. The GRC e-learning was provided to employees to facilitate learning, The GRC e-learning was provided to employees to facilitate learning, and the GRC Helpline was provided on SCGP's Intranet and mobile application, available domestically and overseas, for SCGP employees to submit their questions on best practices related to governance, risk management, compliance, internal controls. In addition, the Q&A topics on Human Rights by specialists were added on GRC Helpline, Established the ESG Guideline on MD Guidebook to provide guidelines for new executives. Communicated the operation per ESG guidelines and the Three Lines Model, and operations were

reviewed to be in line with the best practices of the Audit Committee to prevent and suppress unethical behaviors in listed companies of the Securities and Exchange Commission.

Furthermore, SCGP was reflected as a sustainable business through fair and transparent strategies in accordance with the SCGP's ESG 4 Plus by receiving the "Excellent" rating in the 2023 Corporate Governance Report of Thai Listed Companies (CGR).

3. Supervision and Compliance with Relevant Rules

SCGP has continued to strictly 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 Monitoring unit and Corporate Compliance unit as the Second Line perform a supporting role to ensure that the operating processes are concretely implemented by educating, fostering awareness, providing regular consultations with employees, and establishing controls to continuously prevent compliance risks.

In 2023, in addition to compliance with important SCGP's policies; the Antitrust Policy, Insider Information Management and IT Governance Policy, and Disclosure Policy. The company continuously complies with policy to monitor important laws and affect business as follows :

- Developed a new SCGP e-Compliance Management System to compile various laws and permits pertaining to a similar system of business, have a notification system to ensure compliance from relevant personnel to perform as prescribed by law, and evaluate the compliance status of practices.
- Established the Legal Compliance Guideline for Electricity Generation Business from Renewable Energy to support more renewable energy.
- Conducted an antitrust self-assessment, where the result showed no unethical market activity.
- Expanded law compliance management to overseas.

4. Anti-Corruption Practices

The Board of Directors approved the Anti-Corruption Policy that outlined the definition and related responsibilities, practices, and appropriate operational requirements to prevent corruption in all SCGP's activities and reviewed the Anti-Corruption Policy regularly every year. More details on the Anti-Corruption Policy can be found on SCGP's website (www.SCGPackaging.com), under the Corporate Governance heading. The implemented anti-corruption preventive actions are detailed below.

- The Company was granted on March 31, 2022 as a Certified Company by the Thai Private Sector Collective Action Against Corruption (CAC) and has been combating corruption constantly.
- The Chief Executive Officer communicated with all employees to strictly adhere to the Anti-Corruption Policy and underline the importance of anti-corruption. The management as the top First Line assessed the risks, determined appropriate measures, and drove, communicated and complied with the Anti-Corruption Policy.
- The Internal Audit Office held seminars and workshops for high-risk departments to raise awareness of the First Line in assessing risks and establishing preventive and control measures. The Office also made videos and held workshops to communicate and promote understanding among departments and employees in the Company.
- Use SCG Packaging's Supplier Code of Conduct as a business guideline and act as good citizenship in parallel with the integration of social and environmental commitments into corporate governance beyond legal and regulatory requirements. The Code of Conduct has been revised to follow the current policies and operations related to the PDPA, human rights, and complaints and whistleblowing.

5. Information Technology Governance, Data and Network Security

5.1 SCGP has appointed the IT Governance working team to be a representative of the parent company. It is responsible for establishing policies and regulations on the use of IT and communications technology (e-Policy) in accordance with ISO/IEC 27001. These policies and regulations will ensure uniform IT-related practices among SCGP employees. In 2023, the following new initiatives were undertaken :

- Improved data center service in accordance with the ISO/IEC 27001:2013 standard and was granted ISO certification on July 9, 2023.
- Improved 3 processes/procedures : Vulnerability Scanning Standard, Data Classification and Handling Standard, and Security Risk Acceptance Procedure.
- Carried out a corporate practice drill by simulating a cyber threat attack, data subject right request, and personal data leakage situation for preparation and improvement of such practices.

5.2 Appointed data protection officers and enforced the SCGP Privacy Policy as preparation, before the law is legalized. This was to ensure that the Company clearly and appropriately put in place regulatory measures and personal information management while ensuring that the data subject receives full rights protection by laws.

5.3 Required all employees to undergo the e-Policy test where they had to score 100% to ensure that employees are aware of, acknowledge, understand, and apply it correctly.

5.4 Promoted and supported the use of Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), and Data Lake to create a Predictive Model and analyze risks comprehensively and efficiently while reducing the time consumed in fieldwork.

5.5 Held a seminar on IT Security awareness and Personal Data Protection to raise awareness on cyber threats and personal data protection.

6. Development and Promotion of Data Analytics in Business Governance

Due to the variety of information systems at SCGP, the Internal Audit Office prepared a report using Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), and Data Lake for audits, and handed it to various departments as a tool to analyze, monitor, correct anomalies, and determination of prevention methods on time. Examples included the Predictive Audit of Customer Credit, Sanction Audit Screening

Tools, Cyber Threat Notification Tools, SAP Internal Control Monitoring Tools, Vulnerability Scanner Tools, Cookie Consent Checker, etc. This allowed the users to examine outcomes simply, quickly, and more efficiently. An IT and digital technology seminar were held for auditors on the topic of cybersecurity and information security management as per ISO 27001. The Office also developed, encouraged, and supported auditors in the pursuit of knowledge in digital technology and various techniques for data analytics via Learnathon and Data Analytics Hackathon events, hosted for the 5th consecutive year to propose the projects as conceived by the adaptation of digital technology for auditing.

7. Whistleblowing System

The Company has reviewed the whistleblowing policy to be consistent, appropriate, and sufficient for the current operations. SCGP has also developed a Whistleblowing System for employees and external stakeholders to whistleblowing and report instances of acts that do not comply with corporate governance, the Code of Conduct, regulations, laws and the Anti-Corruption Policy includes acts of corruption. Whistleblowing can be done via various channels. Employees and External stakeholders can report instances of non-compliance in Thai, English, Indonesian, and Vietnamese through the Intranet Web and SCGP's website (www.SCGPackaging.com) at any time, or through emails, letters, and verbal reports. The Company has clearly defined procedures for receiving complaints, such as the confidential collection of facts, the appointment of a fact-inspecting working panel, the setup of an investigation committee, the consideration for approving a punishment, and the complaint resolution report. Moreover, whistleblowers can follow up on results through the system. Facts from the investigation will be used to devise an action guideline and preventive measures. This system helped promote more ethical operations and sustainable development. Two-factor authentication was adopted and the server, which was separated from other applications, was used to safeguard the security of the system and prevent information leakage to related parties. The company also maintained confidentiality and ensured the protection of whistleblowers as required by the whistleblowing policy.

Internal Control Monitoring

In 2023, the Internal Audit Office performed 56 audit projects as per the risk-based internal audit plan, which was approved by the Audit Committee on November 11, 2022 and later amended on May 9, 2023. The Internal Audit Office was responsible for assessing the adequacy of the internal control system and monitoring corrections of the issues that have been found. This monitoring covered the internal control system on SCGP's activities in order to ensure that SCGP and its subsidiaries, both domestic and overseas, can protect their assets from improper or unauthorized use by directors or executives. This also included proper 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 2023, there was no significant flaw in the internal control system. The Internal Audit Office had followed up on improvements to the internal control based on minor issues that were founded. The management and the related parties had completely revised the internal control according to recommendations within the specified time frame. In addition, the Company's auditor, KPMG Phoomchai Audit Ltd., reported that there were no material deficiencies that had an impact on the Company's financial statements.

The Audit Committee Report

The Audit Committee gave opinions on SCGP's good corporate governance, risk management, compliance and internal control in 2023 as outlined in the Audit Committee Report. It can be summarized as follows :

Review of Financial Statements

The Audit Committee reviewed significant data and information in the quarterly and yearly financial statements of SCG Packaging Public Company Limited for the year 2023, as well as the consolidated financial statements of SCGP and its subsidiaries which were prepared in accordance with the Thai Financial Reporting Standards and are in line with the International Financial Reporting Standards. The Audit Committee reviewed material issues and special items, and also received clear clarifications from the external auditor, the management, and the Internal Audit Director. The review was performed to ensure that the preparation of the financial statements and the notes disclosed in the financial statements complied with the requirements of relevant laws and financial reporting standards. The Audit Committee therefore approved the financial statements that were reviewed and audited by the auditor, as an unqualified opinion report.

Review of Connected Transactions or Potential Conflict of Interest

SCGP has complied with the policies and rules on entering into connected transactions. It has also made disclosures to the Stock Exchange of Thailand (SET) in a timely and correct manner.

Review of Good Corporate Governance

Directors, the management, and employees strictly adhere to the SCG Packaging Corporate Governance Policy and guidelines. All employees passed the Ethics e-Test, which has been conducted for the 9th consecutive year to cultivate compliance of the Anti-Corruption Policy. SCGP is continuously committed to complying with the Anti-Corruption Policy. Since its certification as a Certified Company by the Thai Private Sector Collective Action Against Corruption (CAC) on March 31, 2022. Compliance with SCG Packaging's Code of Conduct and SCG Packaging's Supplier Code of Conduct are monitored through the Internal Audit Office operations.

Review of the Risk Management Assessment System

At SCGP, the Risk Management Committee is tasked with formulating the structure and appointing the person in charge of risk management, consideration and approval of strategies, risk management frameworks, and the risk management process. The scope of responsibility also includes the risk review and risk management follow-up throughout the organization. The Company also places an importance on the emerging risk management, which are regarded as significant and potential future risks. Examples include the risks of continuous deceleration in global economic growth, the risks posed by a long-term high interest rate environment, the risks posed by tax policies and the import prohibition of certain products and recycling materials for sustainability purposes, the opportunity of increased needs for environmentally friendly products and services, and cybersecurity risks. The Company has already put in place the ISO 27001 standard in operations.

Review of Compliance

The Audit Committee has continuously reviewed the implementation of the Company's Compliance Policy and Guideline. The Compliance Management System (CMS), which complies with ISO 19600 standards, has been appropriately put in place at business groups, both local and overseas. This system has been integrated with various management systems. The compliance manual was established as guidelines for work. An antitrust self-assessment has been assessed for the Company's

business activities. The SCGP e-Compliance Management System was developed to retrieve all relevant laws and licenses, and is equipped with a notification system to notify related personnel to perform as prescribed by law. The performance appraisal was implemented to ensure complying, accurate, and timely performance of duties. Furthermore, the Law Compliance Management implementation has also been expanded to cover the overseas' operations.

Assessment and Review of Internal Control and 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 2023, the Internal Audit Office audited 56 projects related to operations and information technology and found no significant issues. The Internal Audit Office promoted and supported the usage of Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), and Data Lake to create a Predictive Models and analyze risks comprehensively and efficiently while reducing the time consumed in fieldwork. The development of auditors' compliance with ESG 4 Plus, SCG Packaging's Corporate Governance Policy, Human Rights guidelines, material labor laws, Financial Report Standards, and International Standards for the Professional Practice of Internal Auditing was achieved, enabling auditors to assess the efficiency and effectiveness of corporate governance, risk management, compliance with laws and regulations, and internal control for SCGP and its subsidiaries, both domestic and overseas. This included digital skill improvement for self-auditing data analysis.

Review of the Complaints and Whistleblowing Investigation

In 2023, there were a total of 15 cases in the whistleblowing system. 12 cases were fully investigated (including 2 pending cases from 2022) divided into 5 cases that did not comply with complaints or unclear evidence, 3 cases that were violations of ethics, and 4 cases that involved inappropriate management. The Audit Committee reviewed the complaints and found that there were no

issues related to non-compliance with the Anti-corruption Policy, Antitrust Policy, and the SCGP Privacy Policy and Insider Information use. Damages were insignificant. In addition, the Audit Committee reviewed measures and established guidelines to prevent corruption and fraud that could occur in different business processes and systems. They have also reviewed fraud investigations for compliance purposes and risk assessments to catch up with the continual business environment.

Head of Internal Audit

The Audit Committee's meeting No. 4/2020 on November 10, 2020 had the resolution to approve the appointment of Ms. Panunda Sunyakorn as the Head of Internal Audit – Internal Audit Director. She was primarily responsible for performing SCGP's internal auditor duties, and preparing reports and recommendations for the management team to make improvements in accordance with SCGP's internal control plans and policies.

The Audit Committee has considered the qualifications of Ms. Panunda Sunyakorn, which were found to be appropriate and adequate for her duties – this includes her qualifications, educational background, experiences, and the training she has attended to be in charge of operations. The Company has summarized the qualifications, educational backgrounds, and experiences of the Head of the Internal Audit in SCG Packaging's Corporate Governance Structure, and important information on the Board of Directors, sub-committees, executives, and other employees.

The appointment, performance appraisal, removal, or transfer of the person holding the Internal Auditor position at SCGP must be approved by the Audit Committee.

Head of Compliance

According to the Order No. 104/2021 that was announced on September 24, 2021, the Chief Executive Officer approved Miss Suchada Assawaharutai, Safety and Productivity Management Manager, to be in charge of compliance governance, and to ensure the Company's operational compliance with laws and government policies. The order came into effect on October 1, 2021. The Company had summarized the qualifications, educational backgrounds and experiences of the Head of Compliance in SCG Packaging's corporate governance structure and important information on the Board of Directors, sub-committees, executives, and other employees.

Related Transactions

Details of significant related transactions between SCG Packaging Public Company Limited (SCGP) and its Subsidiaries (“the Group”) with a company or a person that could entail conflict of interest¹ are summarized as follows :

Type of Transaction/Companies/ Relationship	Total of Direct/ Indirect Holding (%)	Amount of Related Transactions (Baht million)			Pricing policy
		2023	2022	2021	
1. Transactions with ultimate parent company (The Siam Cement Public Company Limited (“SCC”))					
Purchases from the Group		5	5	7	Market price applied with third party transactions
Service income charged to the Group		857	833	852	Cost plus margin method comparable
2. Transactions with associates (Entities in which the Group has significant influence)					
Sales to the Group		280	342	257	Market price applied with third party transactions
Siam Nippon Industrial Paper Co., Ltd.	31	210	227	164	
Siam Toppan Packaging Co., Ltd.	49	70	115	93	
Purchases from the Group		510	554	440	Market price applied with third party transactions
Siam Nippon Industrial Paper Co., Ltd.	31	254	305	189	
Siam Toppan Packaging Co., Ltd.	49	222	222	223	
Sahagreen Forest Co., Ltd.	17	31	26	28	
Service income charged to the Group		13	13	13	Market price applied with third party transactions
Interest paid to the Group		5	6	6	Agreed interest rate
Guarantees by the Group (as of 31 December)		-	66	132	Contract rate
Siam Nippon Industrial Paper Co., Ltd.	31	-	66	132	
3. Transactions with subsidiaries of SCC					
Sales to the Group		6,472	9,875	8,266	Market price applied with third party transactions
SCG International Corporation Co., Ltd.		4,190	6,396	5,123	
SCG International (Philippines) Corporation		549	723	399	
Thai Polyethylene Co., Ltd.		380	537	1	
SCG International USA Inc.		278	714	969	
SCI Eco Services Co., Ltd.		231	221	104	
SCG International Australia Pty. Ltd.		202	232	328	
SCG International Vietnam Co., Ltd.		176	355	479	
Rayong Olefins Co., Ltd.		108	147	127	
SCG Cement Co., Ltd.		96	130	81	
PT SCG International Indonesia		72	255	67	

¹ List the details by companies with transaction value greater than or equal to 0.03% of Net Tangible Asset (NTA)

Type of Transaction/Companies/ Relationship	Total of Direct/ Indirect Holding (%)	Amount of Related Transactions (Baht million)			Pricing policy
		2023	2022	2021	
Eco Plant Services Co., Ltd.		46	-	16	
Long Son Petrochemicals Co., Ltd.		43	79	13	
Map Ta Phut Olefins Co., Ltd.		31	32	1	
A.I.Technology Co., Ltd.		31	2	-	
The Siam Refractory Industry Co., Ltd.		18	18	27	
SCG International Hong Kong Limited		4	-	42	
SCG International Middle East DMCC		-	21	12	
SCG Performance Chemicals Co., Ltd.		-	-	378	
SCG Plastics Co., Ltd.		-	-	82	
Purchases from the Group		3,473	4,040	2,763	Market price applied with third party transactions
SCG International Corporation Co., Ltd.		1,049	1,495	1,115	
PT SCG International Indonesia		511	686	379	
SCG International Vietnam Co., Ltd.		448	562	288	
The Siam Cement (Kaeng Khoi) Co., Ltd.		296	215	87	
Siam Fibre Cement Group Co., Ltd.		259	334	245	
SCG International Middle East Trading L.L.C		173	53	-	
The Siam Cement (Ta Luang) Co., Ltd.		162	102	92	
PT Siam-Indo Gypsum Industry		129	239	209	
SCG Ceramics Public Company Limited		93	80	73	
Nawaplastic Industries Co., Ltd.		73	66	63	
The Siam Cement (Thung Song) Co., Ltd.		59	40	29	
Long Son Petrochemicals Co., Ltd.		49	-	-	
Siam Sanitary Ware Industry Co., Ltd.		36	27	42	
Sosuco Ceramic Co., Ltd.		27	34	41	
The Siam Cement (Lampang) Co., Ltd.		20	9	5	
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.		20	8	24	
Panel World Co., Ltd.		14	9	4	
Prime Dai Loc Joint Stock Company		12	-	-	
Prime Trading, Import and Export One Member Limited Liability Company		11	22	21	
Service income charged to the Group		640	2,696	2,763	Market price applied with third party transactions
SCG International Vietnam Co., Ltd.		266	414	523	

Type of Transaction/Companies/ Relationship	Total of Direct/ Indirect Holding (%)	Amount of Related Transactions (Baht million)			Pricing policy
		2023	2022	2021	
SCG Logistics Management Co., Ltd. ²		97	1,851	1,883	
Rayong Engineering & Plant Service Co., Ltd.		96	107	10	
SCI Eco Services Co., Ltd.		56	83	144	
SCG Legal Counsel Co., Ltd.		25	21	29	
SCG Learning Excellence Co., Ltd.		24	21	19	
The Siam Fibre-Cement Co., Ltd.		21	31	21	
SCG Accounting Services Co., Ltd.		14	6	-	
The Siam Refractory Industry Co., Ltd.		8	17	4	
SUSUNN Smart Solution Co., Ltd.		-	44	-	
PT SCG Barito Logistics ²		-	20	20	
SCG Ceramics Public Company Limited		-	3	19	
4. Transactions with associates of SCC					
Sales to the Group		186	235	273	Market price applied with third party transactions
Siam Synthetic Latex Co., Ltd.		132	167	175	
Siam Tohcello Co., Ltd.		21	23	41	
Green Siam Resources Corporation		18	42	52	
Purchases from the Group		840	952	791	Market price applied with third party transactions
The Siam Gypsum Industry (Saraburi) Co., Ltd.		602	632	513	
The Siam Gypsum Industry (Songkhla) Co., Ltd.		132	130	83	
Thai MFC Co., Ltd.		74	85	82	
Siam Kubota Corporation Co., Ltd.		16	20	19	
Siam Polyethylene Co., Ltd.		2	36	47	
Siam Synthetic Latex Co., Ltd.		-	26	24	
Service income charged to the Group		1,674	189	177	Market price applied with third party transactions
SCG Logistics Management Co., Ltd. ²		1,128	-	-	
SCGJWD Logistics Public Company Limited		366	-	-	
IT One Co., Ltd.		159	168	154	
Green Siam Resources Corporation		14	13	18	
5. Transactions with other companies of which SCC's executives hold director titles					
Purchases from the Group		8	35	64	Market price applied with third party transactions
Asia Cement Public Company Limited		7	32	42	
SCG Foundation		1	3	22	

² Changed the status from a subsidiary to an associate of The Siam Cement Public Company Limited in February 2023

Type of Transaction/Companies/ Relationship	Total of Direct/ Indirect Holding (%)	Amount of Related Transactions (Baht million)			Pricing policy
		2023	2022	2021	
6. Transactions with other companies which have directors or major shareholders or controlling persons in common³					
Sales/Service income charged to the Group		117	134	289	Market price applied with third party transactions
The Deves Insurance Public Company Limited		115	131	127	
Purchases/Service expenses charged by the Group		1,332	1,583	1,159	Market price applied with third party transactions
I-Tail Corporation Public Company Limited		506	696	204	
Thai Union Manufacturing Co., Ltd.		141	177	355	
B. Foods Product International Co., Ltd.		128	138	106	
Thai Union Graphic Co., Ltd.		93	139	107	
ThaiNamthip Corporation Limited		88	-	-	
Thai Union Group Public Company Limited		87	114	111	
Betagro Agro Industry Co., Ltd.		67	59	63	
Better Foods Co., Ltd.		62	63	51	
Pet Focus Co., Ltd.		29	21	-	
Thai Union Seafood Co., Ltd.		25	23	26	
Lucky Union Foods Co., Ltd.		24	15	12	
Chotiwat Manufacturing Public Company Limited		23	24	24	
Buono (Thailand) Public Company Limited		14	9	1	
Okeanos Food Co., Ltd.		10	15	24	
Nan Yang Garment Co., Ltd.		9	21	21	
Ajinomoto Betagro Frozen Foods (Thailand) Co., Ltd.		-	22	-	
Interest paid to the Group		19	8	5	Agreed interest rate
Kasikornbank Public Company Limited		12	4	-	
Interest received from the Group		11	10	8	Agreed interest rate
Service fee and others charged to the Group		17	19	7	Contract rate
Deposits of the Group (as of 31 December)		1,121	3,446	302	Agreed interest rate
The Siam Commercial Bank Public Company Limited		943	642	118	
Kasikornbank Public Company Limited		178	2,804	184	
Loans to the Group (as of 31 December)		677	175	2,610	Agreed interest rate
The Siam Commercial Bank Public Company Limited		391	175	2,610	
Kasikornbank Public Company Limited		286	-	-	
Forward exchange contracts (as of 31 December)		2,800	2,445	4,939	Agreed interest rate
The Siam Commercial Bank Public Company Limited		1,603	1,525	2,774	
Kasikornbank Public Company Limited		1,197	920	2,165	

³ Conforming to the instruction manual of form 56-1 One Report preparation and disclosure these transactions since the first year of relationship.

Necessity and Reasonableness of Related Transactions

The Audit Committee reviewed the related transactions that occurred during the fiscal year that ended on December 31, 2023, as detailed above. Necessary items were conditions and prices that were fair, appropriate and/or equal to arm's length transactions, and were approved in accordance with the Company's policies before the transactions were carried out.

Related Transactions that Present a Conflict of Interest

SCGP will continue to proceed with related transactions with connected persons in the future. These mainly include normal business and support transactions. If SCGP undertakes connected transactions in the future, SCGP and Group companies will take the actions listed below :

- (1) SCGP must consider the connected transaction. SCGP will use the same pricing criteria and trade agreements that it uses with general counterparties, ensuring that the transaction terms and conditions are fair, reasonable, and reinforce SCGP's interests.
- (2) In case products or services have standard prices, with several buyers and sellers on the market, SCGP must find information on market pricing and standards, and compare them with its connected transactions.
- (3) If products or services are unique or customized, SCGP will not be able to compare their prices with others on the market. SCGP must therefore demonstrate that the gross profit margin from the connected transaction is not different from other transactions, including trading, with other partners.
- (4) SCGP may use the independent appraisal report listed in the SEC's list, which is compiled by SCGP or Group companies to compare prices in important connected transactions to ensure that the prices are fair, reasonable, and SCGP's maximum benefits.
- (5) Directors, executives, or related persons may enter into transactions with SCGP or its subsidiaries if they are approved at the shareholders' meeting. Unless it is a trade agreement, transactions will follow the same processes as transactions between prudent persons and general counterparties that are in the same situation. There shall be no trade bargaining power by exerting the position of director, executive, or related person as the case may be. Trade agreements must be approved by the Board of Directors or in accordance with principles that have already been approved by the Board of Directors. Depending on the size of the transaction, it may or may not need to be approved at the shareholders' meeting.
- (6) If SCGP has related transactions or other transactions that fall under the criteria of entering into connected transactions, SCGP must adhere to the above rules.
- (7) SCGP must disclose information on transactions that may present a conflict of interest, connected transactions or related transactions, in accordance with the rules set by the SEC and the SET. This information must be disclosed in the annual registration statement, annual reports, or other reports as the case may be. SCGP must also prepare details on connected transactions and related transactions according to accounting standards and report to the SET, following the required regulations. The connected transactions shall be reviewed in accordance with the audit plan. The Internal Audit Office must report the results of such review to the Audit Committee and propose control measures, and perform random reviews of actual transactions to ensure accuracy and compliance with specific contracts, policies or conditions.





SCG Packaging Public Company Limited

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FINANCIAL REPORT 2023

(Form 56-1 One Report)
SCG Packaging Public Company Limited



SUSTAINABLE SOLUTIONS
FOR A BRIGHTER PLANET



SCG Packaging Public Company Limited

Company Profile

Registration No.	0107537000921
Head Office Address	1 Siam Cement Road, Bangsue, Bangkok 10800
Business Type	The Company generates revenue from holding shares in other companies (Holding Company), operating core business as an integrated packaging solutions provider (The key subsidiary engaging in the core business is Siam Kraft Industry Co., Ltd.), which is organized into three main businesses: Integrated Packaging Business, Fibrous Business, and Recycling Business.
Present Registered Capital	Registered capital: 4,500,000,000 Baht Paid-up capital: 4,292,920,200 Baht Issued and paid-up ordinary shares: 4,292,920,200 shares Issued and paid-up preference shares: - None - Par value of Baht 1 per share
Website	www.SCGPackaging.com
Contact	Tel: +66 2586 3333 Fax: +66 2586 3007 E-mail: SCGPackaging@scg.com
Share Registrar	Thailand Securities Depository Company Limited 1 st 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

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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. 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, 2023 represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai Financial Reporting Standards



(Mr. Prasarn Trairatvorakul)
Chairman



(Mr. Wichan Jitpukdee)
Chief Executive Officer



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Independent auditor's report

To the Shareholders of SCG Packaging Public Company Limited

Opinion

I have audited the consolidated financial statements of SCG Packaging Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, 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 2023, its financial performance and cash flows for year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



The acquisitions of business	
Refer to Notes 3 (a) and 4 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>During 2023, the Group acquired overseas companies and engaged independent appraisers to determine the fair values of assets acquired and liabilities assumed from a business acquisition.</p> <p>The accounting for the business acquisition is material and complex which require management to make significant judgments in identifying and determining the fair values of assets acquired and liabilities assumed from the business acquisitions based on assumptions which are uncertain. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> • inquiry of management about the nature and objective for the business acquisitions, inspecting share transfer agreements and relevant minutes of meetings of management in order to understand significant terms and conditions, including the features relevant to the acquisition accounting; • assessing the reasonableness of the key assumptions used to determine the fair values of assets acquired and liabilities assumed from the business acquisitions with reference to the operating environment, my knowledge of the acquired businesses and industry, and other information obtained during the audit; • evaluating the appropriateness of identifying assets acquired and liabilities assumed from the business acquisitions by management, and the consideration transferred to the seller, examining the relevant purchase and disbursement documents, and testing the mathematical accuracy of calculation of goodwill; • consulting with KPMG valuation specialists when considering the appropriateness of the valuation methodology and approach; • evaluating the independence and professional competence of the independent appraisers engaged by the Group; and • considering the adequacy of the disclosures in accordance with the financial reporting standard.



The impairment testing of goodwill	
Refer to Notes 3 (k) and 12 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Business risk arising from internal and external factors causes the management to pay more attention to impairment testing of goodwill arising from business acquisition, especially from the acquisition of overseas business. Besides this, according to the financial reporting standard, the Group performs an impairment testing on goodwill derived from business combination on an annual basis or whenever an indication of impairment exists. This requires management's judgments and estimates in determining the recoverable amount of cash generating unit, in particular the forecasting of future cash flows from business plan and its forecast growth rate and discount rate used for each cash generating unit. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> • obtaining understanding of the relevant business plan, the management's identification of cash generating unit, impairment testing procedures and the calculation of the recoverable amount; • evaluating the appropriateness of cash generating unit to which goodwill belongs identified by management, assessing the reasonableness of the key assumptions which supported discounted cash flows projection such as cash flow forecasts, long-term growth rates and discount rates by comparing with market situations and operating environment, industry knowledge and other information obtained during the audit, including evaluating the reasonableness of the forecasting of financial performances by comparing historical estimation to the actual operating results; • evaluating the appropriateness of the valuation methodology used by management and testing the mathematical accuracy of the recoverable amount and impairment calculations; and • considering the adequacy of the disclosures in accordance with the financial reporting standard.



Emphasis of Matter

I draw attention to Note 4. The Group acquired businesses in the United Kingdom, Italy and Vietnam during the year ended 31 December 2023 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Pornthip R'.

(Pornthip Rimdusit)
Certified Public Accountant
Registration No. 5565

KPMG Phoomchai Audit Ltd.
Bangkok
13 February 2024

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2023

Assets	Note	2023	2022
		<i>(in thousand Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents	6	9,888,587	9,965,933
Short-term investments	25	7,292,251	2,378,495
Trade and other current receivables	5, 7	22,647,685	23,254,060
Advance payment for assets		683,507	813,142
Inventories	8	19,252,593	23,280,799
Other current assets		507,310	462,004
Total current assets		60,271,933	60,154,433
<i>Non-current assets</i>			
Investments in associates	9	1,062,730	1,034,332
Other non-current receivables		1,419,273	741,413
Investment property		114,542	141,692
Property, plant and equipment	10, 11	94,279,195	94,585,205
Goodwill	12	29,374,395	28,233,239
Other intangible assets	12	10,050,962	10,573,939
Deferred tax assets	13	1,036,057	852,115
Other non-current assets		951,587	963,278
Total non-current assets		138,288,741	137,125,213
Total assets		198,560,674	197,279,646

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 2023

Liabilities and shareholders' equity	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Bank overdrafts and short-term borrowings			
from financial institutions	<i>15</i>	15,336,715	16,155,140
Trade and other current payables	<i>5</i>	14,808,198	14,281,909
Current portion of long-term borrowings			
from financial institutions	<i>15</i>	6,493,668	1,570,769
Current portion of lease liabilities	<i>5, 15</i>	668,094	587,166
Current portion of debentures	<i>15</i>	5,497,816	-
Corporate income tax payable		1,061,615	572,767
Liabilities related to put options	<i>25</i>	22,313,049	-
Other current liabilities		211,238	310,908
Total current liabilities		66,390,393	33,478,659
<i>Non-current liabilities</i>			
Long-term borrowings from financial institutions	<i>15</i>	8,034,201	14,450,650
Lease liabilities	<i>5, 15</i>	3,089,492	1,920,639
Debentures	<i>15</i>	9,992,878	15,484,603
Deferred tax liabilities	<i>13</i>	4,886,139	5,322,691
Non-current provisions for employee benefits	<i>16</i>	3,629,130	3,595,818
Other non-current liabilities		89,096	59,846
Total non-current liabilities		29,720,936	40,834,247
Total liabilities		96,111,329	74,312,906

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 2023

Liabilities and shareholders' equity	Note	2023	2022
		<i>(in thousand Baht)</i>	
Shareholders' equity			
Share capital			
<i>Authorized share capital</i>			
<i>(4,500 million ordinary shares, par value</i>			
<i>at Baht 1 per share)</i>			
		4,500,000	4,500,000
<i>Issued and paid share capital</i>			
<i>(4,293 million ordinary shares, par value</i>			
<i>at Baht 1 per share)</i>			
		4,292,920	4,292,920
Share premium		40,860,245	40,860,245
Other deficits		(1,445,045)	(1,445,045)
Retained earnings			
<i>Appropriated</i>			
Legal reserve	17	450,000	450,000
General reserve		3,000	3,000
<i>Unappropriated</i>			
		57,992,632	55,268,983
Other equity interest	25	(23,203,660)	-
Other components of shareholders' equity		(1,627,846)	(2,229,860)
Total equity attributable to owners of the Company		77,322,246	97,200,243
Non-controlling interests		25,127,099	25,766,497
Total shareholders' equity		102,449,345	122,966,740
Total liabilities and shareholders' equity		198,560,674	197,279,646

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 2023

	<i>Note</i>	2023	2022
<i>(in thousand Baht)</i>			
Revenue from sales	5	129,398,089	146,068,043
Cost of sales	5	(106,273,933)	(121,791,156)
Gross profit		23,124,156	24,276,887
Gain on exchange rate		79,506	143,006
Other income	5	1,043,021	1,321,527
Profit before expenses		24,246,683	25,741,420
Distribution costs	5, 19	(8,700,857)	(9,350,540)
Administrative expenses	5, 20	(6,982,832)	(6,688,289)
Total expenses		(15,683,689)	(16,038,829)
Profit from operations		8,562,994	9,702,591
Finance costs		(2,019,658)	(1,468,123)
Share of profit of associates			
accounted for using equity method	9	38,750	54,819
Profit before income tax		6,582,086	8,289,287
Tax expense	22	(1,153,461)	(1,549,917)
Profit for the year		5,428,625	6,739,370
Profit attributable to			
Owners of the Company		5,248,133	5,800,605
Non-controlling interests		180,492	938,765
		5,428,625	6,739,370
Basic earnings per share (in Baht)			
Attributable to owners of the Company		1.22	1.35

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 2023

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Profit for the year		5,428,625	6,739,370
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements		358,119	(3,379,678)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain (loss) on investments in equity instruments measured at fair value		(300)	4,744
Gain on remeasurements of defined benefit plans	16	90,751	272,673
Share of other comprehensive income of associates accounted for using equity method	9	(1,231)	2,654
Income tax relating to items that will not be reclassified subsequently to profit or loss	22	(19,716)	(62,385)
Total items that will not be reclassified subsequently to profit or loss		69,504	217,686
Other comprehensive income for the year, net of tax		427,623	(3,161,992)
Total comprehensive income for the year		5,856,248	3,577,378
Total comprehensive income attributable to			
Owners of the Company		5,901,121	3,153,228
Non-controlling interests		(44,873)	424,150
		5,856,248	3,577,378

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 2023

	Other components of shareholders' equity																				
	Retained earnings					Gain (loss) on															
	Appropriated	Unappropriated	Exchange differences on translating financial statement (in thousand Baht)	Gain (loss) on investments in equity instruments measured at fair value	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity													
Issued and paid share capital																					
Balance at 1 January 2022	4,292,920	40,860,245	(1,445,045)	3,000	52,106,464	576,089	(6,473)	569,616	96,837,200	25,462,744	122,299,944										
Transactions with owners, recorded directly in shareholders' equity																					
<i>Contributions by and distributions to owners</i>																					
Dividends	24	-	-	-	(2,790,185)	-	-	-	(2,790,185)	(821,534)	(3,611,719)										
Total contributions by and distributions to owners					(2,790,185)				(2,790,185)	(821,534)	(3,611,719)										
<i>Changes in ownership interests in subsidiaries</i>																					
Changes that do not result in an acquisition or a loss of control																					
Changes that result in an acquisition or a loss of control	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	650,437
Total changes in ownership interests in subsidiaries																					
Total transactions with owners, recorded directly in shareholders' equity					(2,790,185)				(2,790,185)	(120,397)	(2,910,582)										
Comprehensive income for the year																					
Profit or loss					5,800,605	-	-	-	-	-	5,800,605	938,765	6,739,370								
Other comprehensive income					152,099	(2,803,023)	3,547	(2,799,476)	(2,647,377)	(514,615)	(3,161,992)										
Total comprehensive income for the year					5,952,704	(2,803,023)	3,547	(2,799,476)	3,153,228	424,150	3,577,378										
Balance at 31 December 2022					55,268,983	(2,226,934)	(2,926)	(2,229,860)	97,200,243	25,766,497	122,966,740										

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 2023

	Retained earnings										Other components of shareholders' equity			
	Appropriated					Unappropriated					Loss on			
	Issued and paid share capital	Share premium	Other deficits	Legal reserve	General reserve	Other equity interest	Exchange differences on translating financial statement	Investments in equity instruments measured at fair value	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity		
Balance at 1 January 2023	4,292,920	40,860,245	(1,445,045)	450,000	3,000	55,268,983	(2,226,934)	(2,926)	(2,229,860)	97,200,243	25,766,497	122,966,740		
Transactions with owners, recorded directly in shareholders' equity														
<i>Contributions by and distributions to owners</i>														
Dividends	-	-	-	-	-	(2,575,458)	-	-	-	(2,575,458)	(710,894)	(3,286,352)		
Total contributions by and distributions to owners	-	-	-	-	-	(2,575,458)	-	-	-	(2,575,458)	(710,894)	(3,286,352)		
<i>Changes in ownership interests in subsidiaries</i>														
Changes that do not result in an acquisition or a loss of control	-	-	-	-	-	-	-	-	-	-	11,477	11,477		
Changes that result in an acquisition or a loss of control	-	-	-	-	-	-	-	-	-	-	104,892	104,892		
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	116,369	116,369		
Total transactions with owners, recorded directly in shareholders' equity	-	-	-	-	-	(2,575,458)	-	-	-	(2,575,458)	(594,525)	(3,169,983)		
Put options	-	-	-	-	-	-	-	-	-	(23,203,660)	-	(23,203,660)		
Comprehensive income for the year														
Profit or loss	-	-	-	-	-	5,248,133	-	-	-	5,248,133	180,492	5,428,625		
Other comprehensive income	-	-	-	-	-	50,974	602,238	(224)	602,014	652,988	(225,365)	427,623		
Total comprehensive income for the year	-	-	-	-	-	5,299,107	602,238	(224)	602,014	5,901,121	(44,873)	5,856,248		
Balance at 31 December 2023	4,292,920	40,860,245	(1,445,045)	450,000	3,000	57,992,632	(1,624,696)	(3,150)	(1,627,846)	77,322,246	25,127,099	102,449,345		

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 2023

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the year	5,428,625	6,739,370
<i>Adjustments for</i>		
Tax expense	1,153,461	1,549,917
Depreciation and amortization	9,205,704	9,699,145
Loss on expected credit loss	6,376	11,601
Loss on inventories devaluation (reversal)	(93,738)	169,575
Non-current provisions for employee benefit expense	375,993	217,031
Gain on foreign currency exchange	(52,361)	(120,177)
Share of profit of associates accounted for using equity method	(38,750)	(54,819)
Interest income	(376,789)	(197,087)
Finance costs	2,019,658	1,468,123
Loss on impairment of assets (reversal)	20,992	(7,687)
Gain on fair value adjustment and others	(131,995)	(152,379)
Cash flows generated from operations		
before changes in operating assets and liabilities	17,517,176	19,322,613
<i>Decrease (increase) in operating assets</i>		
Trade and other receivables	881,222	3,234,770
Inventories	4,308,946	(405,471)
Other assets	(183,900)	(148,055)
Net decrease in operating assets	5,006,268	2,681,244

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 2023

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Increase (decrease) in operating liabilities</i>			
Trade and other payables		602,831	(2,631,403)
Non-current provisions for employee benefits		(263,213)	(251,683)
Other liabilities		1,030	(124,519)
Net increase (decrease) in operating liabilities		340,648	(3,007,605)
Net cash flows generated from operations			
Income tax paid		(1,382,187)	(1,762,449)
Net cash flows provided by operating activities		21,481,905	17,233,803
<i>Cash flows from investing activities</i>			
Acquisition of subsidiaries, net of cash acquired	4	(1,303,173)	(7,025,945)
Acquisition of interests in associates		-	(44,210)
Proceeds from sale of short-term investments		764,190	12,475,301
Acquisition of short-term investments		(5,584,964)	(1,711,122)
Proceeds from sale of property, plant and equipment		65,728	166,477
Acquisition of property, plant and equipment		(7,123,982)	(6,861,637)
Acquisition of other intangible assets		(258,906)	(324,124)
Dividends received		9,366	10,862
Interest received		372,063	195,166
Net cash flows used in investing activities		(13,059,678)	(3,119,232)

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 2023

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from financing activities</i>		
Proceeds from changes in ownership interests		
in subsidiaries that do not result in a loss of control	11,477	650,444
<i>Proceeds from (payments of) borrowings</i>		
Payments of bank overdrafts and short-term borrowings - net	(798,977)	(14,047,168)
Proceeds from long-term borrowings	135,000	-
Payments of long-term borrowings	(1,614,474)	(2,580,001)
Payments of lease liabilities	(745,165)	(625,861)
Proceeds from issuance of debentures	-	10,000,000
Net decrease in borrowings	(3,023,616)	(7,253,030)
<i>Dividends paid</i>		
Dividends paid to owners of the Company	(2,575,458)	(2,790,185)
Dividends paid to non-controlling interests	(710,894)	(821,534)
Total dividends paid	(3,286,352)	(3,611,719)
Interest and other finance costs paid	(2,067,660)	(1,387,234)
Net cash flows used in financing activities	(8,366,151)	(11,601,539)
Net increase in cash and cash equivalents	56,076	2,513,032
Effect of exchange rate changes on cash and cash equivalents	(133,422)	142,589
Cash and cash equivalents at beginning of the year	9,965,933	7,310,312
Cash and cash equivalents at end of the year	9,888,587	9,965,933
<i>Supplementary information for cash flows</i>		
Non-cash from investing and financing transactions		
at end of the year		
Account payables from purchase of assets	459,366	609,484
Accrued investments	508,589	490,907
Liabilities related to put options	22,313,049	-

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
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SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
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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 13 February 2024.

1 General information

SCG Packaging Public Company Limited, the “Company”, is incorporated in Thailand. The Company’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited, which is incorporated in Thailand.

The Company and its subsidiaries, the “Group”, is a comprehensive packaging solutions providers comprising of three main operating businesses (1) Integrated Packaging Business (2) Fibrous Business and (3) Recycling Business.

Details of the subsidiaries, which were included in the consolidated financial statements, are as follows:

	2023	2022
	Direct / Indirect Holding (%)	
<i>Registered in Thailand</i>		
Siam Kraft Industry Co., Ltd.	100	100
SCG Paper Energy Co., Ltd.	100	100
SCGP Solutions Co., Ltd.	100	100
SCGP Rigid Plastics Co., Ltd.	100	100
International Healthcare Packaging Co., Ltd.	100	100
Invenique Co., Ltd.	100	100
SCGP Excellence Training Center Co., Ltd.	100	100
Vexcel Pack Co., Ltd.	100	100
Precision Print Co., Ltd.	100	100
SKIC International Co., Ltd.	100	100
Thai Cane Paper Public Company Limited	98.20	98.20
Thai Containers Group Co., Ltd.	70	70
Thai Containers Khonkaen Co., Ltd.	70	70
Thai Containers Rayong Co., Ltd.	70	70
Orient Containers Co., Ltd.	70	70
Dyna Packs Co., Ltd.*	70	70
D-In Pack Co., Ltd.*	70	70
Phoenix Pulp & Paper Public Company Limited	69.58	69.58
Phoenix Utilities Co., Ltd.*	69.58	69.58

* Currently in the liquidation process

SCG Packaging Public Company Limited and its Subsidiaries
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For the year ended 31 December 2023

	2023	2022
	Direct / Indirect Holding (%)	
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
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 Wanabhumm Co., Ltd.	69.58	69.58
TC Flexible Packaging Co., Ltd.	52.50	52.50
Prepack Thailand Co., Ltd.	52.38	52.38
SCGP-T Plastics Co., Ltd.	51	51
Tawana Container Co., Ltd.	50.40	50.40
Conimex Co., Ltd.	38.25	38.25
<i>Registered in Philippines</i>		
United Pulp and Paper Co., Inc.	74.77	74.77
United Industrial Energy Corporation	74.77	74.77
<i>Registered in Vietnam</i>		
Go-Pak Vietnam Limited	100	100
Go-Pak Paper Products Vietnam Co., Ltd.	100	100
Vina Kraft Paper Co., Ltd.	70	70
New Asia Industries Co., Ltd.	70	70
Alcamax Packaging (Vietnam) Co., Ltd.	70	70
AP Packaging (Hanoi) Co., Ltd.	70	70
Packamex (Vietnam) Co., Ltd.	70	70
Duy Tan Plastics Manufacturing Corporation Joint Stock Company	70	70
Duy Tan Long An Co., Ltd.	70	70
Duy Tan Precision Mold Co., Ltd.	70	70
Mata Plastic Co., Ltd.	70	70
Duy Tan Binh Duong Plastics Co., Ltd.	70	70
Starprint Vietnam JSC	70	-
Bien Hoa Packaging Joint Stock Company	65.88	65.88
Tin Thanh Packing Joint Stock Company	52.49	52.49

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	2023	2022
	Direct / Indirect Holding (%)	
<i>Registered in Indonesia</i>		
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	52.50
PT Bahana Buana Box	52.50	52.50
PT Rapipack Asritama	52.50	52.50
<i>Registered in Malaysia</i>		
Interpress Printers Sendirian Berhad	68.30	68.30
<i>Registered in Singapore</i>		
SCGP Solutions (Singapore) Pte. Ltd.	100	100
SCGP Rigid Packaging Solutions Pte. Ltd.	100	100
TCG Solutions Pte. Ltd.	70	70
<i>Registered in United Kingdom</i>		
Go-Pak UK Limited	100	100
Peute UK Limited	100	100
Law Print & Packaging Management Limited	100	-
<i>Registered in Spain</i>		
Peute Recycling Spain S.L.	100	100
Detalab Global, S.L.	85	85
Detalab, S.L.	85	85
Keylab, S.L.U.	85	85
Nirco, S.L.	85	85
Envases Farmaceuticos, S.A.	85	85
Equilabo Scientific, S.L.U.	85	85
Sanilabo, S.L.U.	85	85
<i>Registered in Netherlands</i>		
Peute Recycling B.V.	100	100
Peute Papierrecycling B.V.	100	100
Peute Plasticrecycling B.V.	100	100
Peute Recycling International B.V.	100	100
Peute Investments B.V.	100	-
Infiniplast B.V.	100	-

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	2023	2022
	Direct / Indirect Holding (%)	
<i>Registered in Portugal</i>		
Peute Portugal, Unipessoal Lda	100	100
<i>Registered in the United States</i>		
Jordan Trading Inc.	90.10	90.10
<i>Registered in Ireland</i>		
Law Print & Packaging Management Limited	100	-
<i>Registered in Italy</i>		
Bicappa Lab S.r.L.	85	-

Most of the above subsidiaries were established in Thailand unless otherwise stated. There was no material change in the percentage of holding from 2022, except during 2023, the Group acquired the ordinary shares of Law Print & Packaging Management Limited in the United Kingdom, Bicappa Lab S.r.L in Italy and Starprint Vietnam JSC in Vietnam. These companies' assets, liabilities and operating results are included in the Group's consolidated financial statements, as discussed in note 4.

2 Basis of preparation of the financial statements

The consolidated financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRSs"); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The consolidated financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

The preparation of consolidated financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The Group has adopted International Tax Reform - Pillar Two Model Rules - Amendments to TAS 12 *Income Taxes*. The amendments provide a temporary mandatory exception for the recognition and disclosure of deferred tax accounting for the top-up tax, which is effective immediately, and accounts for a current tax when it is incurred.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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 or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income shall be recognized on the same basis as would be required if that interest was disposed of.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognized in profit or loss immediately.

Consideration transferred is measured at fair-value includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognized in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted or additional assets or liabilities are recognized during the measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(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 is accounted for as other surplus or deficit in shareholders' equity.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss arising from loss of control in the subsidiary is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(c) *Investments in associates*

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group recognized investments in associates using the equity method in the consolidated financial statements. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include dividend income the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(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 maturities of three months or less from the date of acquisition and are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status by taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the end of the reporting period.

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost.

Cost comprises costs of purchase, costs of conversion or relevant direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

(g) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use which are available for immediate sale in current condition and measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are no longer depreciated or amortized and any equity-accounted investee is no longer equity accounted.

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 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 is charged on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5, 20 years
Buildings and structures	5, 20 years

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of investment property are recognized in profit or loss.

Reclassification to property, plant and equipment

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(j) *Property, plant and equipment*

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognized in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment, including major inspections, is recognized in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is provided on freehold land and construction in progress.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

The estimated useful lives are as follows:

Land improvements	5 - 30 years
Buildings and structures	5 - 40 years
Machinery and equipment	3 - 30 years
Furniture, fixtures and office equipment	3 - 20 years
Vehicles and equipment	5 - 10 years
Bearer plant	Actual production in each month

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(k) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any assets.

(l) Other intangible assets

Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

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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For the year ended 31 December 2023

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use. No amortization is provided on development cost.

The estimated useful lives are as follows:

Customer contracts and relationship	5 - 20 years
Trademark	10, 20 years
Technology licenses and patent	4, 15 years
Software licenses	3 - 10 years

Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(m) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. The Group has elected not to separate non-lease components and accounted for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognized as expenses on a straight-line basis over the respective lease terms.

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.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognized in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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(o) Trade and other payables

Trade and other payables are stated at amortized cost.

(p) Employee benefits

Defined contribution plans

Obligations for contributions to provident fund for the Group's employee are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. The defined benefit obligation is discounted to the present value which performed annually by a qualified actuary.

For remeasurements of the net defined benefit liability, actuarial gains or losses are recognized in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, by taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Gain or loss on remeasurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits or when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(r) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and rendering of services

Revenue from sales of goods is recognized at a point in time when the Group transfers control of the goods to customers, generally on delivery of the goods to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognize revenue and cost of sale for the estimated products to be returned.

Revenue for rendering of services is recognized over time based on progress towards complete satisfaction of performance obligation or as the serviced are provided. The progress towards complete satisfaction is assessed based on either output or input method.

For bundled packages, the Group recognizes revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

The Group has a timing of revenue recognition mainly from sales of goods which is recognized at a point in time.

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Customer loyalty programme

For customer loyalty programmes that the Group offers to customers, the consideration received is allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognized as contract liabilities and revenue is recognized when loyalty points are redeemed, the likelihood of the customer redeeming the loyalty points becomes remote or points expire. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points. The estimate shall be reviewed at the end of the reporting period.

Other income

Other income comprises dividend income, interest income and others that recognized on accrual basis except dividend income is recognized in profit or loss on the date that the Group's right to receive the dividend is established.

Royalty fee income

Royalty fee income is recognized over the royalty term.

(2) *Contract assets and liabilities*

Contract assets are recognized when the Group has recognized revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration that usually occurs when the Group issues an invoice to the customer.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognized when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognizes the related revenue.

(s) *Expenses*

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

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Early retirement expenses

The Group offers certain qualifiable employees the option to take early retirement from the Group. Eligible employees who accept the offer are paid a lump sum amount, which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Group records expenses on early retirement upon mutual acceptance.

(t) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is recognized in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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(u) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currency transactions and measured in terms of historical cost are translated to the respective functional currencies of each entity in the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currencies at the exchange rates at the end of the reporting period.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that the fair value was determined.

Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI is recognized in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the end of the reporting period. The revenues and expenses of foreign operations are translated to Thai Baht at the average rates approximating the exchange rates at the dates of the transactions. Foreign exchange differences arising on translation are recognized in other comprehensive income, except to extent that the translation difference is allocated to non-controlling interest, accumulated and presented in other components of equity until disposal of the foreign operation.

When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation, recognized in other comprehensive income and presented in other components of equity until disposal of the foreign operation.

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(v) Financial instruments

Classification and measurement

Debt securities issued by the Group are initially recognized when they are originated. Other financial assets and financial liabilities, except trade receivables and trade payables, are initially recognized when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value by taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognized in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except that the financial liabilities are held for trading or derivative are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognized in profit or loss.

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognized in profit or loss. Gains and losses from changes in fair value are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognized as income in profit or loss on the date that the Group's right to receive the dividend is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Gains and losses from changes in fair value are recognized in OCI and never reclassified to profit or loss.

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Derecognition and offset

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Interest rate benchmark reform

When the basis of determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform (IBOR reform), the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by IBOR reform.

Derivatives

Derivatives are recognized at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting.

Impairment of financial assets

The Group recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, debt investments measured at FVOCI and lease receivables.

The Group recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or trade receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

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The Group considers a financial asset to have low credit risk when its credit rating is the investment grade. The Group recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are remeasured at the end of the reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the 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 in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to carrying amount of the financial assets after impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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(w) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group use observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received.

(x) Business segment reporting

Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(y) Relating parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence.

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4 Acquisitions of business

Year 2023

During 2023, the Group acquired the significant businesses as follows:

(1) Law Print & Packaging Management Limited, the United Kingdom

On 25 October 2023, SCGP Solutions (Singapore) Pte. Ltd., which is a wholly owned subsidiary of the Group, acquired 100% stake in Law Print & Packaging Management Limited (“Law Print”), a prominent packaging solution provider in the United Kingdom. This investment has a total consideration of Pound Sterling 11.1 million or equivalent to Baht 490 million.

Acquisition in Law Print is to enlarge the Group’s sales channels and customer networks with concentration on fast-growing pet food manufacturers in the United Kingdom and across Europe. Moreover, further synergies would include the cross-selling of the Group’s consumer packaging products to Law Print’s clients, especially in multinational companies.

(2) Bicappa Lab S.r.L., Italy

On 26 October 2023, Deltalab, S.L. (“Deltalab”), which is a 85% owned subsidiary of the Group, acquired 85% stake in Bicappa Lab S.r.L. (“Bicappa”), a renowned medical supply and labware manufacturer specialized in pipette tips product in Italy. This investment has a total consideration of Euro 3.2 million or equivalent to Baht 123 million and has the agreement with existing shareholder which grant the right to buy or sell the remaining 15% stake. The pricing and exercise period are in accordance with the conditions specified in the agreement.

Acquisition in Bicappa is a backward integration with their supplier of pipette tips which is the pivotal products in Deltalab’s comprehensive labware portfolio. Moreover, this will enable Deltalab to promptly expand into pipette tips business while also effectively access the know-how of conductive polymer injection technology for auto-pipetting and this would also include sales expansion of other Deltalab’s medical supply and labware products into Bicappa’s clientele base.

(3) Starprint Vietnam JSC, Vietnam

On 18 December 2023, SCGP Solutions (Singapore) Pte. Ltd., which is a wholly owned subsidiary of the Group, acquired 70% stake in Starprint Vietnam JSC (“SPV”), an offset folding carton packaging manufacturer in Vietnam. This investment has a total consideration of Vietnamese Dong 676.1 billion or equivalent to Baht 979 million and has the agreement with existing shareholders which grant the right to buy or sell the remaining 5% stake. The pricing and exercise period are in accordance with the conditions specified in the agreement.

Acquisition in SPV will enhance the Group’s packaging solutions capabilities to serve enlarging customer base in Vietnam and ASEAN while reinforce chain integration. SPV will be the Group’s first rigid boxes facility in ASEAN and the Group’s first offset folding carton production in Vietnam.

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According to the above acquisitions, the Group has engaged independent appraisers to determine the fair values of net assets and liabilities acquired. As at 31 December 2023, the determination of the fair values has not been completed. Therefore, they have been recorded at provisional fair value amounts in the consolidated statement of financial position as at 31 December 2023. The fair values of assets acquired and liabilities assumed and goodwill may be adjusted when the fair values are finally determined.

Assets acquired and liabilities assumed at the acquisition date were as follows:

	<i>Note</i>	Fair Value			Total
		Law Print	Bicappa	SPV	
		<i>(in million Baht)</i>			
Cash and cash equivalents		217	18	27	262
Trade and other current receivables		27	38	179	244
Inventories		14	1	240	255
Property, plant and equipment		19	22	92	133
Other non-current assets		2	-	37	39
Trade and other current payables		(27)	(15)	(126)	(168)
Interest-bearing liabilities		(16)	(4)	(105)	(125)
Other current liabilities		(11)	-	(13)	(24)
Other non-current liabilities		-	-	(12)	(12)
Net identifiable assets and liabilities		225	60	319	604
<i>Less</i> non-controlling interests		-	(9)	(96)	(105)
Recognized value of net assets acquired		225	51	223	499
Goodwill from business acquisition	12	265	72	756	1,093
Total consideration transferred		490	123	979	1,592
Cash acquired					(262)
Total consideration transferred - net					1,330

The assets, liabilities and operating results of these subsidiaries have been included in the Group's consolidated financial statements for the period ended 31 December 2023 since the acquisition date with total revenue from sales of Baht 51 million and profit for the period of Baht 6 million. Revenue from sales of these subsidiaries since 1 January 2023 to the respective acquisition dates amounted to Baht 1,473 million and profit for the period amounted to Baht 90 million.

The Group incurred acquisition costs totaling Baht 29 million which have been included in administrative expenses in the consolidated income statement.

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Year 2022

Acquisitions of business

During 2022, the Group acquired the significant businesses as follows:

(1) *Peute Recycling B.V. and its subsidiaries, the Netherlands*

On 15 July 2022, SCGP Solutions (Singapore) Pte. Ltd., which is a wholly owned subsidiary of the Group, acquired 100% stake in Peute Recycling B.V. (“Peute”), a packaging materials recycling of recovered paper and plastic, registered in the Netherlands. This investment has a total consideration of Euro 84.1 million or equivalent to Baht 3,104 million.

Acquisition in Peute is an expansion of business into the rapidly growing packaging material recycling business. This transaction would strengthen all levels of packaging business from raw material sources and production through to the offering of integrated packaging solutions to customers and improving sourcing capabilities.

(2) *Jordan Trading Inc., the United States*

On 2 September 2022, SKIC International Co., Ltd., which is a wholly owned subsidiary of the Company, acquired 90.1% stake in Jordan Trading Inc. (“Jordan”), a trader and distributor of recovered paper in the United States. This investment has total consideration of US Dollars 1.98 million or equivalent to Baht 73 million.

Acquisition in Jordan is an expansion of business into packaging material recycling business. This investment would augment the Group with direct access to the source of high quality American Old Corrugated Containers (“AOCC”) which is key raw material that strengthen packaging paper and fiber packaging productions. Together with Peute, the addition of Jordan would also enhance sourcing capabilities and international network of recovered materials.

(3) *Acquisition in flexible packaging business from Cyberprint Group Co., Ltd., Thailand*

On 27 December 2022, Prepack Thailand Co., Ltd. (“Prepack”), which is a 99.8% owned subsidiary of the Company, acquired flexible packaging business from Cyberprint Group Co., Ltd. (“Cyber”), a multi-type printing and packaging service provider in Thailand. This investment has a total consideration of Baht 340 million.

Along with the business acquisition, this will increase current flexible packaging production capacity and enhance customer segments in pet food and health supplements products of Prepack. Moreover, the new capacity would also lead to cost-saving opportunities via co-sourcing of raw materials and improved economies of scale. This acquisition is part of SCGP’s medium-term strategic objectives to strengthen the packaging solutions business in ASEAN.

According to the above acquisitions, the Group has engaged an independent appraiser to determine the fair values of net assets and liabilities acquired. As at 31 December 2022, the determination of the fair values has been completed and the carrying amount of the assets acquired and liabilities assumed were recorded accordingly.

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Assets acquired and liabilities assumed at the acquisition date were as follows:

	<i>Note</i>	Fair Value			Total
		Peute	Jordan	Cyber	
		<i>(in million Baht)</i>			
Cash and cash equivalents		230	11	-	241
Trade and other current receivables		1,976	60	-	2,036
Inventories		54	1	35	90
Property, plant and equipment		307	5	273	585
Intangible assets	12	1,448	-	-	1,448
Other non-current assets		8	-	6	14
Trade and other current payables		(1,547)	(33)	-	(1,580)
Interest-bearing liabilities		(74)	(5)	-	(79)
Other current liabilities		(146)	-	-	(146)
Deferred tax liabilities		(397)	-	-	(397)
Net identifiable assets and liabilities		1,859	39	314	2,212
<i>Less</i> non-controlling interests		-	(4)	-	(4)
Recognized value of net assets acquired		1,859	35	314	2,208
Goodwill from business acquisition	12	1,245	38	26	1,309
Total consideration transferred		3,104	73	340	3,517
Cash acquired					(241)
Total consideration transferred - net					3,276

The assets, liabilities, and operating results of these subsidiaries have been included in the Group's consolidated financial statements for the period ended 31 December 2022 since the acquisition date with total revenue from sales of Baht 4,814 million and profit for period of Baht 51 million. Revenue from sales of these subsidiaries since 1 January 2022 to the acquisition date amounting to Baht 8,715 million and profit for period amounted to Baht 71 million.

The Group incurred acquisition costs totaling Baht 84 million which have been included in administrative expenses in the consolidated income statement.

Besides the acquisitions during 2022 as above, the Group had significant transactions related to the business acquisitions in 2021 as follows;

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In the first quarter of 2022, the determination of the fair values of assets acquired and liabilities assumed from acquisition of Deltalab, S.L. (“Deltalab”), Spain, has been completed. The Group recorded the fair value of the assets acquired and liabilities assumed accordingly, mainly from an increase of other intangible assets of Baht 2,105 million, and recognized a decrease in goodwill of Baht 1,770 million. This adjustment is in accordance with the accounting adjustment condition for business acquisition.

In the second quarter of 2022, the Group has reached a final agreement with the former shareholder of Duy Tan Plastics Manufacturing Corporation Joint Stock Company (“Duy Tan”), Vietnam, to pay the remaining amount of Vietnamese Dong 2,340 billion or equivalent to Baht 3,527 million. This resulted in an increase in the remaining of the provision of contingent consideration by Vietnamese Dong 394 billion or equivalent to Baht 582 million, which consists of the recognition an increase of goodwill of Baht 195 million and loss from estimate adjustment of Baht 387 million which presented in administrative expenses in the consolidated income statement. In July 2022, the Group has already paid the remaining amount to the former shareholder.

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5 Related parties

Relationships with related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Siam Toppan Packaging Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Siam Nippon Industrial Paper Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Sahagreen Forest Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Packworks Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
P&S Holdings Corporation	Philippines	An associate of SCG Packaging Public Company Limited
ReUse SAS	France	An associate of SCG Packaging Public Company Limited
SCG Cement Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Ta Luang) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Kaeng Khoi) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Thung Song) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Lampang) 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
ECO Plant Services Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCI Eco Services Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Siam Fibre Cement Group Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Fibre-Cement Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Ceramics Public Company Limited	Thailand	A subsidiary of the Siam Cement Public Company Limited
Sosuco Ceramic Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SUSUNN Smart Solution Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG International Corporation Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Panel World Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Thai Polyethylene Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Rayong Engineering & Plant Service 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
Rayong Olefins Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Map Ta Phut Olefins Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Accounting Services 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
A.I. Technology Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited

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Name of entities	Country of incorporation / nationality	Nature of relationships
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
Prime Trading, Import and Export One Member Limited Liability Company	Vietnam	A subsidiary of the Siam Cement Public Company Limited
Prime Dai Loc Joint Stock 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
Long Son Petrochemicals Co., Ltd.	Vietnam	A subsidiary of the Siam Cement Public Company Limited
SCG International (Philippines) Corporation	Philippines	A subsidiary of the Siam Cement Public Company Limited
SCG International USA Inc.	The United States	A subsidiary of the Siam Cement Public Company Limited
SCG International Australia Pty. Ltd.	Australia	A subsidiary of the Siam Cement Public Company Limited
SCG International Hong Kong Limited	China	A subsidiary of the Siam Cement Public Company Limited
SCG International Middle East DMCC	The United Arab Emirates	A subsidiary of the Siam Cement Public Company Limited
SCG International Middle East Trading L.L.C	The United Arab Emirates	A subsidiary of the Siam Cement Public Company Limited
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
SCGJWD Logistics Public Company Limited	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
PT SCG Barito Logistics	Indonesia	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

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Significant transactions with related parties for the year ended 31 December and the pricing policies are summarized as follows:

	2023	2022	Pricing policies
	<i>(in thousand Baht)</i>		
<i>Parent</i>			
Revenue	4,685	5,279	Market price
Service fee	857,482	833,227	Cost plus margin method comparable
<i>Associates</i>			
Revenue	510,402	554,092	Market price
Dividend income	9,366	10,862	Upon declaration
Purchases	280,153	341,975	Market price
<i>Others</i>			
Revenue	6,517,377	8,167,566	Market price
Purchases	6,865,509	10,321,189	Market price
Service fee	2,476,009	3,068,514	Market price and contract rate

Balances as at 31 December with related parties were as follows:

	Note	2023	2022
		<i>(in thousand Baht)</i>	
<i>Trade receivables</i>			
Parent		206	886
Associates		69,599	62,563
Others		924,744	864,522
Total	7	994,549	927,971
<i>Other current receivables</i>			
Parent		55,293	55,336
Associates		59,341	50,089
Others		17,089	16,044
Total		131,723	121,469
<i>Other non-current receivables</i>			
Parent		68,100	116,846
Associates		105,312	113,473
Total		173,412	230,319

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	2023	2022
	<i>(in thousand Baht)</i>	
<i>Trade payables</i>		
Associates	35,096	39,019
Others	1,099,259	1,227,599
Total	1,134,355	1,266,618
 <i>Other current payables</i>		
Parent	93,042	63,567
Associates	1,426	1,637
Others	126,276	118,308
Total	220,744	183,512
 <i>Lease liabilities</i>		
<i>Current and non-current portion</i>		
Parent	56,787	86,505
Associates	99,506	100,728
Others	197,690	232,804
Total	353,983	420,037

The Board of Directors and key management compensation

	2023	2022
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Short-term employee benefits	121,410	131,992
Post-employment benefits	9,834	9,284
Total	131,244	141,276

The Board of Directors and key management compensation comprises the remuneration paid to the directors of SCG Packaging Public Company Limited under the articles of the Company and the remuneration paid to the management as staff expenses in terms of salary, bonus, special remuneration benefit, others and contribution to defined contribution plans.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
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6 Cash and cash equivalents

	2023	2022
	<i>(in thousand Baht)</i>	
Cash on hand and at banks	6,678,138	9,176,310
Highly liquid short-term investments	3,210,449	789,623
Total	<u>9,888,587</u>	<u>9,965,933</u>

7 Trade receivables

<i>At 31 December</i>	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		957,319	872,597
Overdue:			
Less than 1 month		36,182	23,228
1 - 3 months		1,048	31,905
Over 3 - 12 months		-	241
Total	5	<u>994,549</u>	<u>927,971</u>
Other companies			
Within credit terms		16,863,995	17,054,979
Overdue:			
Less than 1 month		1,545,808	1,639,462
1 - 3 months		416,875	664,537
Over 3 - 12 months		164,902	163,919
Over 12 months		180,433	180,470
		<u>19,172,013</u>	<u>19,703,367</u>
<i>Less allowance for expected credit loss</i>		<i>(184,531)</i>	<i>(180,262)</i>
Net		<u>18,987,482</u>	<u>19,523,105</u>
Total		<u>19,982,031</u>	<u>20,451,076</u>

The normal credit term granted by the Group is 30 - 90 days.

SCG Packaging Public Company Limited and its Subsidiaries
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	2023	2022
	<i>(in thousand Baht)</i>	
<i>Allowance for expected credit loss</i>		
At 1 January	180,262	161,886
Acquisitions through business combinations	949	8,098
Addition	19,221	20,941
Reversal	(13,291)	(10,119)
Write-off	(2,368)	(273)
Currency translation differences	(242)	(271)
At 31 December	184,531	180,262

8 Inventories

	2023	2022
	<i>(in thousand Baht)</i>	
Finished goods	6,292,922	7,464,774
Work in progress	1,101,377	1,191,122
Raw materials	6,252,695	9,268,942
Spare parts, stores, supplies and others	3,991,548	4,130,713
Goods in transit	1,939,452	1,659,161
Total	19,577,994	23,714,712
<i>Less allowance for decline in value</i>	<i>(325,401)</i>	<i>(433,913)</i>
Net	19,252,593	23,280,799
Cost of inventories recognized as an expense in cost of sales	106,319,385	121,532,665
Write-down to net realizable value	592,997	739,428
Reversal of write-down	(745,004)	(581,656)
Changes in finished goods and work in progress	1,261,597	(1,635,686)
Raw materials and supplies used	54,691,164	69,016,738

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9 Investments in associates

Movements for the years ended 31 December in investments in associates accounted for using the equity method were as follows:

	2023	2022
	<i>(in thousand Baht)</i>	
At 1 January	1,034,332	873,034
Acquisitions through business combinations	-	7,954
Increase in investment	-	106,733
Share of net profit of investments - equity method	38,750	54,819
Share of other comprehensive income of investment		
- equity method	(986)	2,654
Dividend income	(9,366)	(10,862)
At 31 December	<u>1,062,730</u>	<u>1,034,332</u>

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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(%)		<i>(in thousand Baht)</i>							
Associates										
Siam Toppan										
Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	517,924	499,936	6,027	8,012
Siam Nippon										
Industrial Paper Co., Ltd.	31	31	1,100,000	1,100,000	495,000	495,000	357,434	341,221	-	-
Packworks Co., Ltd.	28	28	1,837	1,837	106,733	106,733	97,985	105,489	-	-
Sahagreen Forest Co., Ltd.	17	17	190,000	190,000	47,500	47,500	79,057	79,732	2,518	2,850
ReUse SAS	45	45	3,673	3,673	2,909	2,909	10,330	7,954	821	-
P&S Holdings Corporation	40	40	262,588	262,588	105,121	105,121	-	-	-	-
Total			<u>2,058,098</u>	<u>2,058,098</u>	<u>1,002,263</u>	<u>1,002,263</u>	<u>1,062,730</u>	<u>1,034,332</u>	<u>9,366</u>	<u>10,862</u>

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10 Property, plant and equipment

	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles and equipment	Construction in progress	Bearer plant	Total
	<i>(in thousand Baht)</i>							
Cost								
At 1 January 2022	11,554,751	25,687,807	159,727,397	2,355,685	1,621,251	9,600,796	44,007	210,591,694
Acquisitions through business combinations <i>(see note 4)</i>	65,066	230,938	527,324	17,952	107,872	-	-	949,152
Additions	154,920	760,293	1,974,127	161,779	335,379	4,154,618	-	7,541,116
Disposals/written off	(22,012)	(186,740)	(3,454,917)	(182,477)	(343,049)	(5,231)	-	(4,194,426)
Transfer to investment property	(5,068)	(1,820)	-	-	-	-	-	(6,888)
Transfers in (out)	203,380	2,126,820	6,138,304	49,633	33,651	(8,549,423)	842	3,207
Currency translation differences	(300,222)	(285,947)	(2,028,295)	(18,042)	(15,862)	(307,947)	-	(2,956,315)
At 31 December 2022	11,650,815	28,331,351	162,883,940	2,384,530	1,739,242	4,892,813	44,849	211,927,540
Acquisitions through business combinations <i>(see note 4)</i>	-	74,432	41,615	7,560	8,456	627	-	132,690
Additions	307,523	1,387,543	1,951,609	213,503	394,476	4,057,689	-	8,312,343
Disposals/written off	(19,892)	(219,625)	(1,404,727)	(126,003)	(279,819)	(5,614)	-	(2,055,680)
Transfer from investment property	25,757	-	-	-	-	-	-	25,757
Transfers in (out)	51,489	492,935	4,035,260	56,695	36,487	(4,687,348)	4,281	(10,201)
Currency translation differences	(39,936)	(146,202)	(616,974)	(3,503)	(12,637)	(17,522)	-	(836,774)
At 31 December 2023	11,975,756	29,920,434	166,890,723	2,532,782	1,886,205	4,240,645	49,130	217,495,675

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	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles and equipment	Construction in progress	Bearer plant	Total
	<i>(in thousand Baht)</i>							
<i>Accumulated depreciation and accumulated impairment losses</i>								
At 1 January 2022	1,607,293	12,597,335	96,372,235	1,926,873	903,343	-	3,376	113,410,455
Depreciation charge for the year	240,251	1,291,034	6,848,051	176,467	306,898	-	3,242	8,865,943
Reversal of impairment losses	-	(10,896)	(107)	(12)	-	-	-	(11,015)
Disposals/written off	(18,370)	(145,671)	(3,326,488)	(182,141)	(280,093)	-	(29)	(3,952,792)
Transfers in (out)	1,156	44,109	10,964	8,149	26,231	-	-	90,609
Currency translation differences	(7,005)	(133,725)	(889,543)	(15,341)	(15,251)	-	-	(1,060,865)
At 31 December 2022	1,823,325	13,642,186	99,015,112	1,913,995	941,128	-	6,589	117,342,335
Depreciation charge for the year	246,721	1,177,906	6,403,438	184,847	334,179	-	3,074	8,350,165
Impairment losses	178	605	19,214	701	-	-	-	20,698
Disposals/written off	(14,000)	(214,665)	(1,350,993)	(125,567)	(232,932)	-	-	(1,938,157)
Transfers in (out)	(5,934)	9,511	19,029	(18,784)	(2,828)	-	-	994
Currency translation differences	(8,925)	(57,119)	(476,739)	(576)	(16,196)	-	-	(559,555)
At 31 December 2023	2,041,365	14,558,424	103,629,061	1,954,616	1,023,351	-	9,663	123,216,480
<i>Carrying amount</i>								
At 31 December 2022								
Owned assets	7,835,211	13,322,606	63,750,922	378,951	354,144	4,892,813	38,260	90,572,907
Right-of-use assets	1,992,279	1,366,559	117,906	91,584	443,970	-	-	4,012,298
	9,827,490	14,689,165	63,868,828	470,535	798,114	4,892,813	38,260	94,585,205
At 31 December 2023								
Owned assets	7,875,812	13,122,483	63,142,851	429,451	300,651	4,240,645	39,467	89,151,360
Right-of-use assets	2,058,579	2,239,527	118,811	148,715	562,203	-	-	5,127,835
	9,934,391	15,362,010	63,261,662	578,166	862,854	4,240,645	39,467	94,279,195

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In 2023, the right-of-use assets of the Group has increased amounting to Baht 1,848 million (2022: Baht 969 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 43 million (2022: Baht 32 million), rates of interest capitalized at 1.00% to 3.75% per annum (2022: 0.70% to 2.70% per annum).

In 2023, subsidiaries in overseas, 5 companies, revisited the residual lives of certain items of buildings and structures and machinery and equipment, which resulted in changes in the estimated useful lives of these assets. The Group estimated these assets would have useful lives of 15 to 40 years from the date of completion of construction and be available for use (previously, 5 to 25 years). As a result of the aforesaid extension of the useful lives of assets, the effect of these changes for the year ended 31 December 2023 was a decreased in depreciation expense of approximately Baht 514 million.

11 Leases

The Group leases land, buildings, vehicles and equipment both in Thailand and overseas. The rental due and rate are as specified in the contract.

<i>For the years ended 31 December</i>	2023	2022
	<i>(in thousand Baht)</i>	
<i>Amounts recognized in profit or loss</i>		
Depreciation of right-of-use assets:		
- Land and land improvements	143,917	134,149
- Buildings and structures	375,314	342,730
- Vehicles and equipment	240,242	210,909
- Others	71,835	66,015
Interest on lease liabilities	110,632	99,100
Expenses relating to short-term leases	196,193	224,956
Expenses relating to leases of low-value assets	108,992	75,432

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12 Goodwill and other intangible assets

	Goodwill	Other intangible assets			
		Customer contracts and relationship	Trademark and patent	Software licenses and others	Total other intangible assets
<i>(in thousand Baht)</i>					
Cost					
At 1 January 2022	29,482,758	5,009,231	2,522,140	1,702,379	9,233,750
Acquisitions through business combinations <i>(see note 4)</i>	(173,993)	2,376,940	1,169,304	5,081	3,551,325
Additions	-	-	-	290,963	290,963
Disposals/written off	-	-	-	(34,629)	(34,629)
Transfers in (out)	-	-	-	24,765	24,765
Currency translation differences	(1,075,526)	(224,080)	(23,026)	206	(246,900)
At 31 December 2022	28,233,239	7,162,091	3,668,418	1,988,765	12,819,274
Acquisitions through business combinations <i>(see note 4)</i>	1,093,569	-	-	1,608	1,608
Additions	-	-	-	247,364	247,364
Disposals/written off	-	-	-	(25,840)	(25,840)
Transfers in (out)	-	-	-	10,563	10,563
Currency translation differences	47,587	83,263	(27,992)	(2,456)	52,815
At 31 December 2023	29,374,395	7,245,354	3,640,426	2,220,004	13,105,784
Accumulated amortization					
At 1 January 2022	-	289,526	140,737	1,053,485	1,483,748
Amortization charge for the year	-	459,886	219,669	145,783	825,338
Disposals/written off	-	-	-	(33,260)	(33,260)
Currency translation differences	-	(15,291)	(5,827)	(9,373)	(30,491)
At 31 December 2022	-	734,121	354,579	1,156,635	2,245,335
Amortization charge for the year	-	455,699	216,585	167,391	839,675
Disposals/written off	-	-	-	(25,645)	(25,645)
Currency translation differences	-	8,986	(8,884)	(4,645)	(4,543)
At 31 December 2023	-	1,198,806	562,280	1,293,736	3,054,822
Carrying amount					
At 31 December 2022	28,233,239	6,427,970	3,313,839	832,130	10,573,939
At 31 December 2023	29,374,395	6,046,548	3,078,146	926,268	10,050,962

Amortization expenses of other intangible assets are included in cost of sales, distribution costs and administrative expenses in the consolidated income statement.

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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 determined 5-year cash flows forecasts, terminal values thereafter and discount rates derived from weighted average cost of capital of the Group, which were based on estimate and judgments of the management and considering historical data from both external and internal sources. The key assumptions used in the estimation of recoverable amount were discount rates, ranging from 4.40% to 6.91% (2022: 5.38% to 7.87%) and projected revenue growth rates ranging from 4.59% to 14.99% (2022: 0.58% to 15.46%). As the result of the impairment testing of goodwill, the recoverable amounts of the cash-generating units for the Group's assets were determined to be higher than the carrying amounts.

Nevertheless, the key assumptions used in the estimation of recoverable amount are subject to change due to ongoing market uncertainties that could impact the recoverable amount as at 31 December 2023 of a subsidiary, which has the goodwill of Baht 12,770 million and the recoverable amount exceeding the carrying amount by approximately Baht 5,282 million. If the projected revenue growth rate decreases by 2.11%, the recoverable amount will be equal to the carrying amount.

13 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the consolidated statements of financial position as follows:

	2023	2022
	<i>(in thousand Baht)</i>	
Deferred tax assets	1,036,057	852,115
Deferred tax liabilities	<u>(4,886,139)</u>	<u>(5,322,691)</u>
Net	<u>(3,850,082)</u>	<u>(4,470,576)</u>

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Movements in total deferred tax assets and liabilities during the year were as follows:

	At 1 January 2022	Credited (charged) to			Currency translation differences	At 31 December 2022
		profit or loss <i>(Note 22)</i>	other comprehensive income	Increase through business combinations		
<i>(in thousand Baht)</i>						
<i>Deferred tax assets</i>						
Loss carry forward	422,264	(13,511)	-	-	(23,098)	385,655
Investment	56,249	(25,177)	-	-	(20)	31,052
Trade receivables	27,348	2,868	-	-	(189)	30,027
Inventories	78,975	24,339	-	-	(652)	102,662
Property, plant and equipment	24,870	12,307	-	13,296	(2,132)	48,341
Provisions for employee benefits	796,378	(10,514)	(65,361)	19,673	(14,670)	725,506
Others	60,103	1,040	-	-	(453)	60,690
Total	1,466,187	(8,648)	(65,361)	32,969	(41,214)	1,383,933
<i>Deferred tax liabilities</i>						
Property, plant and equipment	3,538,645	(19,575)	-	116,183	(136,585)	3,498,668
Intangible assets	1,447,563	34,659	-	898,102	(75,165)	2,305,159
Others	51,066	590	-	-	(974)	50,682
Total	5,037,274	15,674	-	1,014,285	(212,724)	5,854,509
Net	(3,571,087)	(24,322)	(65,361)	(981,316)	171,510	(4,470,576)

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	At	Credited (charged) to			Currency	At	
	1 January	profit	other	Increase	translation	31 December	
	2023	or loss	comprehensive	through	differences	2023	
		<i>(Note 22)</i>	income	business			
			<i>(in thousand Baht)</i>				
<i>Deferred tax assets</i>							
Loss carry forward	385,655	532,409	-	-	(12,716)	905,348	
Investment	31,052	15	-	-	-	31,067	
Trade receivables	30,027	(810)	-	-	(6)	29,211	
Inventories	102,662	(20,984)	-	-	724	82,402	
Property, plant and equipment	48,341	(25,696)	-	-	2,792	25,437	
Provisions for employee benefits	725,506	46,477	(20,712)	2,639	(236)	753,674	
Others	60,690	2,846	-	-	1,594	65,130	
Total	1,383,933	534,257	(20,712)	2,639	(7,848)	1,892,269	
<i>Deferred tax liabilities</i>							
Property, plant and equipment	3,498,668	13,580	-	-	9,302	3,521,550	
Intangible assets	2,305,159	(151,620)	-	-	26,294	2,179,833	
Others	50,682	(9,698)	-	-	(16)	40,968	
Total	5,854,509	(147,738)	-	-	35,580	5,742,351	
Net	(4,470,576)	681,995	(20,712)	2,639	(43,428)	(3,850,082)	

The United Kingdom Government announced a change in the corporate income tax rate from 19% to 25% (for the companies with profits over GBP 250,000). The change of corporate income tax rate will be effective on 1 April 2023 onwards. The Group has applied in the measurement of deferred tax assets and deferred tax liabilities, which made income tax expense increase amounting to Baht 124 million in the consolidated income statement for the year 2022.

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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:

	2023	2022
	<i>(in thousand Baht)</i>	
Temporary differences		
- Property, plant and equipment	68,300	72,814
- Provisions for employee benefits	114,546	117,163
- Others	131,087	185,010
Unused tax losses	676,991	204,294
Total	990,924	579,281

The unused tax losses which the Group has not recognized deferred tax asset, are the tax losses which have not yet expired under tax legislation, and will expire within 2029.

14 Changes in liabilities arising from financing activities

	Bank overdrafts and				
	short-term borrowings	Long-term borrowings	Lease liabilities	Debentures	Total
	<i>(in thousand Baht)</i>				
At 1 January 2022	30,547,449	18,535,667	2,195,075	5,493,051	56,771,242
Changes from financing cash flows	(14,047,168)	(2,580,001)	(625,861)	9,988,040	(7,264,990)
Leases	-	-	897,661	-	897,661
Changes arising from business acquisition (see note 4)	-	-	78,921	-	78,921
The effect of changes in foreign exchange rates	(345,141)	59,912	(37,991)	-	(323,220)
Other non-cash movement	-	5,841	-	3,512	9,353
At 31 December 2022	16,155,140	16,021,419	2,507,805	15,484,603	50,168,967
Changes from financing cash flows	(798,977)	(1,479,474)	(745,165)	-	(3,023,616)
Leases	-	-	1,989,571	-	1,989,571
Changes arising from business acquisition (see note 4)	101,209	3,547	19,590	-	124,346
The effect of changes in foreign exchange rates	(120,657)	(22,998)	(14,215)	-	(157,870)
Other non-cash movement	-	5,375	-	6,091	11,466
At 31 December 2023	15,336,715	14,527,869	3,757,586	15,490,694	49,112,864

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15 Interest-bearing liabilities

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Current</i>		
Bank overdrafts and short-term borrowings from financial institutions		
- Secured	98,749	-
- Unsecured	15,237,966	16,155,140
	<u>15,336,715</u>	<u>16,155,140</u>
Current portion of long-term borrowings from financial institution		
- Unsecured	6,493,668	1,570,769
Current portion of lease liabilities	668,094	587,166
Current portion of debentures	5,497,816	-
Total	<u>27,996,293</u>	<u>18,313,075</u>
<i>Non-current</i>		
Long-term borrowings from financial institutions		
- Unsecured	8,034,201	14,450,650
Lease liabilities	3,089,492	1,920,639
Debentures	9,992,878	15,484,603
Total	<u>21,116,571</u>	<u>31,855,892</u>
Total interest-bearing liabilities	<u>49,112,864</u>	<u>50,168,967</u>

As at 31 December 2023, bank overdrafts and short-term borrowings from financial institutions of the Group had an interest rate from 1.85% to 7.30% per annum (2022: 1.40% to 8.35% per annum) and long-term borrowings from financial institutions of the Group had an interest rate from 0.27% to 7.71% per annum (2022: 0.27% to 9.31% per annum).

On 3 October 2023, the Company signed a Green Loan agreement with a local financial institution amounting to Baht 3,000 million. Term of the loan is for 5 years with a floating interest rate. This loan will be gradually drawn down for investment in projects that align with the Green Financing Framework, such as Renewable Energy, Energy Efficiency, and Water Management projects.

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Debenture

As at 31 December 2023, the Company has unsubordinated and unsecured debentures totaling Baht 15,500 million (2022: Baht 15,500 million) as follows:

Debentures no.	2023	2022	Interest rate	Term	Maturity date
	<i>(in thousand Baht)</i>		<i>(% p.a.)</i>		
1/2021	5,500,000	5,500,000	2.65	3 years 8 months	1 December 2024
1/2022	5,000,000	5,000,000	2.80	2 years 10 months	1 June 2025
2/2022	5,000,000	5,000,000	3.50	4 years	1 December 2026
Total	15,500,000	15,500,000			
<i>Less debentures</i>					
issuing expenses	(9,306)	(15,397)			
Net	15,490,694	15,484,603			

16 Non-current provisions for employee benefits

The Group operates defined benefit plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, current risk, interest rate risk and market (investment) risk.

Non-current provisions for employee benefits in the consolidated statement of financial position as at 31 December

	2023	2022
	<i>(in thousand Baht)</i>	
Post-employment benefits		
Legal severance payments plan	3,489,780	3,476,113
Pension	36,782	36,631
Other long-term employee benefits	117,368	106,855
Total non-current provisions for defined benefit plans	3,643,930	3,619,599
Other employee benefits	15,031	-
Total	3,658,961	3,619,599
<i>Less plan assets of foreign subsidiaries</i>	(29,831)	(23,781)
Total non-current provisions for employee benefits - net	3,629,130	3,595,818

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Movement in the present value of non-current provisions for defined benefit plans

	2023	2022
	<i>(in thousand Baht)</i>	
Non-current provisions for defined benefit plans at 1 January	3,619,599	3,897,579
<i>Included in profit or loss</i>		
Current service costs	211,290	106,687
Interest on obligation	152,931	122,907
Actuarial losses (gains)	5,669	(1,539)
Others	-	(13,731)
	<u>369,890</u>	<u>214,324</u>
<i>Included in other comprehensive income</i>		
Actuarial gains	(90,751)	(272,673)
Currency translation differences	(2,642)	(64,933)
	<u>(93,393)</u>	<u>(337,606)</u>
<i>Others</i>		
Benefits paid	(252,166)	(251,121)
Acquisitions through business combinations	-	96,423
	<u>(252,166)</u>	<u>(154,698)</u>
Non-current provisions for defined benefit plans at 31 December	<u><u>3,643,930</u></u>	<u><u>3,619,599</u></u>

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2023	2022
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Demographic assumptions	224	61,550
Financial assumptions	(79,013)	(405,285)
Experience adjustment	(11,962)	71,062
Total	<u><u>(90,751)</u></u>	<u><u>(272,673)</u></u>

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Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2023	2022
	(%)	
Discount rate *		
- Thailand	2.79 - 3.62	2.32 - 3.41
- Vietnam	3.17	5.16
- Indonesia	6.55 - 6.90	6.75 - 7.40
- Philippines	6.06	7.30
Salary increase rate	1.39 - 8.00	0.63 - 7.00
Employee turnover rate **	2.00 - 20.00	2.00 - 17.00
Mortality rate ***	50.00, 100.00 of TMO2017	50.00, 100.00 of TMO2017

* Market yields on government's bonds for legal severance payments plan and pension

** Upon the length of service

*** Reference from TMO2017: Thai Mortality Ordinary Table 2017

As at 31 December 2023, the Group has the weighted-average duration for payment of long-term employee benefits approximately 11 to 20 years. (2022: 11 to 21 years).

Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December

	Increase (decrease)	
	2023	2022
	(in thousand Baht)	
Discount rate		
0.50% increase	(117,168)	(120,365)
0.50% decrease	126,803	130,067
Salary increase rate		
1.00% increase	257,234	257,017
1.00% decrease	(224,185)	(224,882)
Employee turnover rate		
10.00% increase	(53,280)	(53,548)
10.00% decrease	55,096	55,303

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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17 Legal Reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

18 Business segment information

Segment information is presented in respect of the Group’s business segments, is based on the Group’s management and internal reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

<i>Integrated Packaging Business</i>	Comprises fiber packaging, packaging paper, and consumer and performance packaging. Fiber packaging comprises corrugated containers and retail display packaging. Packaging paper comprises containerboard, coated duplex board, sack kraft, and plasterboard liner. Consumer and performance packaging comprises flexible packaging products, rigid packaging products, and medical supplies and labware
<i>Fibrous Business</i>	Comprises foodservice products and pulp and paper products.
<i>Recycling Business and Others</i>	Comprises packaging materials recycling and investment

The business segment information is used by management to evaluate the performance of segments and to allocate resources. The Group evaluates operating performance based on EBITDA.

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Information relating to business segments for years ended 31 December was as follows:

	Integrated Packaging Business		Fibrous Business		Recycling Business and Others		Intersegment Elimination		Consolidated SCGP	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	<i>(in thousand Baht)</i>									
Information from statement of financial position										
Current assets	42,549,002	44,099,250	10,274,087	10,099,245	43,798,508	47,773,773	(36,349,664)	(41,817,835)	60,271,933	60,154,433
Investments in associates	97,985	105,488	436,491	420,953	528,254	507,891	-	-	1,062,730	1,034,332
Investments in equity instrument	11,375	11,783	-	-	49,415,280	48,217,163	(49,415,280)	(48,217,163)	11,375	11,783
Property, plant and equipment	75,665,077	76,904,863	16,861,486	17,516,508	2,071,325	691,163	(318,693)	(527,329)	94,279,195	94,585,205
Others non-current assets	33,398,085	32,418,082	5,992,539	5,789,595	3,816,478	3,551,855	(271,661)	(265,639)	42,935,441	41,493,893
Total assets	151,721,524	153,539,466	33,564,603	33,826,301	99,629,845	100,741,845	(86,355,298)	(90,827,966)	198,560,674	197,279,646
Short-term borrowings	51,477,877	54,664,678	803,026	925,896	11,132,217	3,242,917	(35,416,827)	(40,520,416)	27,996,293	18,313,075
Other current liabilities	34,765,204	11,974,401	2,618,526	2,773,305	1,935,700	1,693,114	(925,330)	(1,275,236)	38,394,100	15,165,584
Long-term borrowings	4,223,685	5,768,905	1,233,281	1,328,069	16,304,971	25,590,925	(645,366)	(832,007)	21,116,571	31,855,892
Other non-current liabilities	6,605,702	6,948,190	1,096,799	1,091,346	901,864	938,819	-	-	8,604,365	8,978,355
Total liabilities	97,072,468	79,356,174	5,751,632	6,118,616	30,274,752	31,465,775	(36,987,523)	(42,627,659)	96,111,329	74,312,906
Shareholders' equity	54,649,056	74,183,292	27,812,971	27,707,685	69,355,093	69,276,070	(49,367,775)	(48,200,307)	102,449,345	122,966,740
Total liabilities and shareholders' equity	151,721,524	153,539,466	33,564,603	33,826,301	99,629,845	100,741,845	(86,355,298)	(90,827,966)	198,560,674	197,279,646
Supplementary information										
Increase in non-current assets	6,522,940	7,489,651	1,374,846	1,210,165	1,755,111	3,457,848	-	-	9,652,897	12,157,664

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	Integrated Packaging Business		Fibrous Business		Recycling Business and Others		Intersegment Elimination		Consolidated SCGP	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>Information from income statement</i>										
Revenue from sales										
External customers	97,044,389	117,218,982	24,894,273	24,272,565	7,459,427	4,576,496	-	-	129,398,089	146,068,043
Intersegment	318,484	304,908	1,941,197	2,655,193	1,208,984	237,526	(3,468,665)	(3,197,627)	-	-
Total revenue from sales	97,362,873	117,523,890	26,835,470	26,927,758	8,668,411	4,814,022	(3,468,665)	(3,197,627)	129,398,089	146,068,043
Cost of sales	(80,601,596)	(98,864,978)	(22,704,337)	(22,670,715)	(6,717,857)	(3,622,314)	3,749,857	3,366,851	(106,273,933)	(121,791,156)
Gross profit	16,761,277	18,658,912	4,131,133	4,257,043	1,950,554	1,191,708	281,192	169,224	23,124,156	24,276,887
Other income	966,977	1,286,740	263,897	251,055	5,913,540	6,715,299	(6,021,887)	(6,788,561)	1,122,527	1,464,533
Profit before expenses	17,728,254	19,945,652	4,395,030	4,508,098	7,864,094	7,907,007	(5,740,695)	(6,619,337)	24,246,683	25,741,420
Operating expenses	(10,150,590)	(12,646,889)	(2,638,343)	(2,562,856)	(4,890,472)	(3,702,854)	1,995,716	2,873,770	(15,683,689)	(16,038,829)
Profit before finance cost and income tax	7,577,664	7,298,763	1,756,687	1,945,242	2,973,622	4,204,153	(3,744,979)	(3,745,567)	8,562,994	9,702,591
Finance cost	(1,986,250)	(1,623,346)	(239,533)	(197,098)	(833,306)	(540,294)	1,039,431	892,615	(2,019,658)	(1,468,123)
Profit before income tax	5,591,414	5,675,417	1,517,154	1,748,144	2,140,316	3,663,859	(2,705,548)	(2,852,952)	6,543,336	8,234,468
Tax income (expense)	(1,016,668)	(1,008,496)	(294,970)	(503,466)	164,529	(38,269)	(6,352)	314	(1,153,461)	(1,549,917)
Profit after income tax	4,574,746	4,666,921	1,222,184	1,244,678	2,304,845	3,625,590	(2,711,900)	(2,852,638)	5,389,875	6,684,551
Share of profit (loss) of associates accounted for using equity method	(7,503)	(1,245)	18,071	8,111	28,182	47,953	-	-	38,750	54,819
Profit for the year	4,567,243	4,665,676	1,240,255	1,252,789	2,333,027	3,673,543	(2,711,900)	(2,852,638)	5,428,625	6,739,370

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	Integrated Packaging Business		Fibrous Business		Recycling Business and Others		Intersegment Elimination		Consolidated SCGP	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>(in thousand Baht)</i>										
Profit (loss) attributable to:										
Owners of the Company	5,095,023	4,505,033	1,234,861	1,244,910	2,333,787	3,674,728	(3,415,538)	(3,624,066)	5,248,133	5,800,605
Non-controlling interests	(527,780)	160,643	5,394	7,879	(760)	(1,185)	703,638	771,428	180,492	938,765
	4,567,243	4,665,676	1,240,255	1,252,789	2,333,027	3,673,543	(2,711,900)	(2,852,638)	5,428,625	6,739,370
Interest income	337,479	176,301	17,312	7,329	1,031,131	868,849	(1,009,133)	(855,392)	376,789	197,087
Depreciation and amortization	6,841,595	7,429,917	2,077,578	2,121,081	316,082	181,136	(29,551)	(32,989)	9,205,704	9,699,145
Other non-monetary items:										
- Loss on inventories devaluation (reversal)	(106,380)	207,123	12,642	(37,548)	-	-	-	-	(93,738)	169,575
- Loss on impairment of assets (reversal)	14,144	10,265	6,848	(17,952)	-	-	-	-	20,992	(7,687)

Revenue from sales of Integrated Packaging Business's proportion is 75% of the total revenue from sales including Packaging Paper 38%, Fiber Packaging 24%, and Consumer and Performance Packaging 13%.

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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	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Thailand	53,366,944	59,428,510	52,013,339	52,756,830
Vietnam	19,516,667	21,649,533	19,824,913	20,914,415
Indonesia	18,270,884	25,186,380	41,786,923	41,497,373
China	8,784,636	9,499,418	-	-
Philippines	3,051,321	4,673,716	5,483,043	5,594,798
United Kingdom	1,834,155	1,872,372	5,100,427	4,686,854
Spain	1,655,898	1,668,540	3,658,016	3,801,295
Netherlands	465,604	2,753,114	4,469,195	3,016,651
Others	22,451,980	19,336,460	1,483,238	1,265,859
Total	129,398,089	146,068,043	133,819,094	133,534,075

Major customer

The Group has no revenue from one customer for the amount over 10% of the Group's total revenue from sales.

19 Distribution costs

	2023	2022
	<i>(in thousand Baht)</i>	
Freight and commission expenses	6,228,516	6,887,902
Salary, welfare and employee expenses	1,613,747	1,581,322
Sales promotion and advertising expenses	286,488	267,055
Rent, depreciation and amortization expenses	148,763	190,216
Custom, insurance expense and intellectual property fees	54,583	76,240
Others	368,760	347,805
Total	8,700,857	9,350,540

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20 Administrative expenses

	2023	2022
	<i>(in thousand Baht)</i>	
Salary, welfare and employee expenses	3,558,245	3,177,046
Rent, depreciation and amortization expenses	1,229,323	1,111,114
Professional and consultant fees	699,839	704,289
IT fees	418,107	377,723
Service expenses	303,821	294,317
Loss on contingent consideration adjustment	-	387,313
Others	773,497	636,487
Total	<u>6,982,832</u>	<u>6,688,289</u>

21 Employee benefit expenses

	2023	2022
	<i>(in thousand Baht)</i>	
Salaries and wages	11,310,297	11,267,851
Welfares and others	1,731,789	1,584,042
Contribution to defined contribution plans	487,432	465,199
Contribution to defined benefit plans	369,890	214,324
Early retirement expenses	102,550	10,908
Total	<u>14,001,958</u>	<u>13,542,324</u>

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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22 Income tax

	<i>Note</i>	2023 <i>(in thousand Baht)</i>	2022
<i>Income tax recognized in profit or loss</i>			
Current tax			
Current tax		1,850,542	1,551,152
Over provided in prior years		(15,086)	(25,557)
		1,835,456	1,525,595
Deferred tax			
Movements in temporary differences	<i>13</i>	(681,995)	(99,183)
Change in corporate income tax rate	<i>13</i>	-	123,505
		(681,995)	24,322
Total		1,153,461	1,549,917
<i>Income tax recognized in other comprehensive income</i>			
Gains on remeasurement of defined benefit plan		19,716	62,385
Total		19,716	62,385

Reconciliation of effective tax rate

		2023 <i>(in thousand Baht)</i>		2022 <i>(in thousand Baht)</i>
	Rate <i>(%)</i>		Rate <i>(%)</i>	
Profit before income tax expense		6,582,086		8,289,287
Share of profit of associates accounted for using equity method		(38,750)		(54,819)
		6,543,336		8,234,468
Income tax using the Thai corporation tax rate	20	1,308,667	20	1,646,894
Effect of different tax rates in foreign jurisdictions		(59,520)		19,980
Income not subject to tax		(8,211)		(18,120)
Tax privileges		(203,615)		(221,125)
Expenses deductible at a greater amount		(53,245)		(34,934)
Expenses not deductible for tax purposes and others		209,211		235,130
Tax losses		657,255		(76,673)
Current tax		1,850,542		1,551,152
Over provided in prior years		(15,086)		(25,557)
Movement in temporary differences		(681,995)		24,322
Income tax expense	18	1,153,461	19	1,549,917

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23 Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B. E. 2520, the Group was granted the following privileges.

	Exemption from corporate income tax for 8 years from	50% Deduction of normal corporate income tax for 5 years from
Vexcel Pack Co., Ltd.		
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
		Exemption from corporate income tax for 8 years from
SCG Paper Energy Co., Ltd.		
Power management		1 November 2017
Electricity production		19 October 2018
Electricity production		4 June 2019
Electricity production		17 March 2020
Electricity production		17 June 2020
Electricity production		22 December 2020
Electricity production		24 February 2021
Electricity production		12 March 2021
Electricity production		19 January 2022
Electricity production		27 July 2022
Electricity production		29 July 2022
Electricity production		23 August 2022
Electricity production		23 September 2022
Electricity production		14 November 2022
Electricity production		27 December 2022
Electricity production		9 February 2023
Electricity production		25 April 2023
Electricity production		14 May 2023
Electricity production		22 September 2023
Electricity production		9 November 2023
Precision Print Co., Ltd.		
Manufacture of printing		28 October 2015

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	Exemption from corporate income tax for 5 years from
Thai Paper Co., Ltd.	
Manufacture of hygienic food packaging	23 August 2022
Prepack Thailand Co., Ltd.	
Manufacture of printing	2 May 2023
	Exemption from corporate income tax for 4 years from
Thai Containers Group Co., Ltd.	
Manufacture of pulp product	26 September 2022
	50% Deduction of normal corporate income tax for 3 years from
Thai Containers Group Co., Ltd.	
Manufacture of performance paper product	28 September 2023

Alcamax Packaging (Vietnam) Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 15% of taxable profits.

AP Packaging (Hanoi) Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 10% of taxable profits.

Tin Thanh Packing Joint Stock Company obtained privileges from a government agency in Vietnam by exemption from income tax for investment of new plant expansion of taxable profits in 2020 to 2021 and pay income tax at a reduced rate of 10% of taxable profits in 2022 to 2025.

Duy Tan Long An Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 17% of taxable profits until 2029, and exemption from corporate income tax for 2 years from the year that profit is first reported in 2020 and 50% deduction of the said corporate income tax for 4 years thereafter.

Duy Tan Binh Duong Plastics Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 10% of taxable profits until 2024.

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Duy Tan Precision Mold Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 10% of taxable profits for the first 15 years starting from the first year of operation until 2034, and exemption from corporate income tax for 4 years from the year that profit is first reported in 2020 and 50% deduction of the said corporate income tax for 9 years thereafter.

United Pulp and Paper Co., Inc. obtained privileges from a government agency in Philippines by exempting from corporate income tax for expanding capacity project No.3 from 2019 to 2026.

As promoted companies, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

24 Dividends

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in million Baht)
2023				
Annual dividend 2022	28 March 2023	24 April 2023	0.35	1,502
Interim dividend 2023	25 July 2023	22 August 2023	0.25	1,073
Total			0.60	2,575
2022				
Annual dividend 2021	29 March 2022	25 April 2022	0.40	1,717
Interim dividend 2022	26 July 2022	24 August 2022	0.25	1,073
Total			0.65	2,790

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25 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value				Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	
<i>Balance at 31 December 2023</i>								
Financial assets								
Cash and cash equivalents	-	-	9,888,587	9,888,587				
Short-term investments								
- Deposit at financial institutions	-	-	2,238,221	2,238,221				
- Funds	5,051,900	-	-	5,051,900	-	5,051,900	-	5,051,900
- Investments in equity instruments	2,130	-	-	2,130	2,130	-	-	2,130
Trade receivables	-	-	19,982,031	19,982,031				
Derivatives assets	224,752	-	-	224,752	-	224,752	-	224,752
Long-term investments								
- Deposit at financial institutions	-	-	1,022	1,022				
- Investments in equity instruments	-	11,375	-	11,375	-	-	11,375	11,375
Total financial assets	5,278,782	11,375	32,109,861	37,400,018				
Financial liabilities								
Bank overdrafts and short-term borrowings	-	-	15,336,715	15,336,715				
Trade payables	-	-	11,324,954	11,324,954				
Derivatives liabilities	24,136	-	-	24,136	-	24,136	-	24,136
Liabilities related to put options	-	-	22,313,049	22,313,049				
Long-term borrowings	-	-	14,527,869	14,527,869				
Lease liabilities	-	-	3,757,586	3,757,586				
Debentures	-	-	15,490,694	15,490,694	-	15,557,927	-	15,557,927
Total financial liabilities	24,136	-	82,750,867	82,775,003				

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	Carrying amount			Fair value				Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	
<i>Balance at 31 December 2022</i>								
Financial assets								
Cash and cash equivalents	-	-	9,965,933	9,965,933				
Short-term investments								
- Deposit at financial institutions	-	-	2,378,495	2,378,495				
- Investments in equity instruments	1,668	-	-	1,668	1,668	-	-	1,668
Trade receivables	-	-	20,451,076	20,451,076				
Derivatives assets	294,901	-	-	294,901	-	294,901	-	294,901
Long-term investments								
- Deposit at financial institutions	-	-	2,310	2,310				
- Investments in convertible loan and debentures	110,233	-	-	110,233	-	-	110,233	110,233
- Investments in equity instruments	-	11,783	-	11,783	-	-	11,783	11,783
Total financial assets	406,802	11,783	32,797,814	33,216,399				
Financial liabilities								
Bank overdrafts and short-term borrowings	-	-	16,155,140	16,155,140				
Trade payables	-	-	10,798,183	10,798,183				
Derivatives liabilities	40,921	-	-	40,921	-	40,921	-	40,921
Long-term borrowings	-	-	16,021,419	16,021,419				
Lease liabilities	-	-	2,507,805	2,507,805				
Debentures	-	-	15,484,603	15,484,603	-	15,681,197	-	15,681,197
Total financial liabilities	40,921	-	60,967,150	61,008,071				

In the first quarter of 2023, the Company invested in a mutual fund with an asset management company amounting to Baht 5,000 million which is measured at FVTPL with an average rate of return of approximately 1.7% per annum and holding period of approximately 1 year.

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For the year ended 31 December 2023

The Group has agreements which grant the right to buy or sell the remaining ordinary shares (Put/Call options) with existing shareholders of subsidiaries from business acquisitions (8 companies). The pricing and exercise period are in accordance with the conditions specified in the agreements. In the second quarter of 2023, the Group recognized the right to buy or sell the remaining 44.48% of the ordinary shares of a subsidiary, PT Fajar Surya Wisesa Tbk., with the present value of the exercise price, as a financial liability in the consolidated statement of financial position of the Group because the possibility of the option being exercised is probably determined. As at 31 December 2023, this financial liability amount was approximately Baht 22,313 million. The right can be exercised from June 2024 onwards.

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 funds which are simple over-the-counter securities were based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar financial instrument at the measurement date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.
- Derivatives assets and liabilities such as forward exchange contracts were calculated using the rates initially quoted by the Group's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts. The fair value of interest rate swap is calculated from the difference between the present value of future cash flows based on the yield curve of the contractual interest rate and the expected interest rate based on observable market for similar financial instruments.

The Group determined Level 3 fair values for investments in equity and debt instruments which are not actively traded in market were calculated using valuation techniques based on the latest reporting net assets adjusted by relevant factors. This was because the equity and debt instruments were not listed on any stock exchanges and there were no recent observable arm's length transactions in the instruments.

Financial instruments measured at amortized cost

The Group determined Level 2 fair values for debentures based on quoted selling price from the Thai Bond Market Association at the closing price on the end of the reporting period.

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(b) Financial risk management policies

Risk management framework

The Group's management has responsibility for the establishment of financial risk management policies and guidelines including foreign currency risk related to capital expenditure, investment, borrowing, deposit and international trade transaction. This also includes establishing policies and overseeing the process of financial derivatives and cash management for efficiency of the Group's financial operation under risk appetite and consistent practice. The policies are appropriately reviewed to the changing situation. The Group's management monitors financial status and reports regularly to Management Committee.

(1) Credit risk

Credit risk is the risk of Group's financial loss if a customer or a financial counterparty fails to meet its contractual obligations.

(1.1) Cash and cash equivalents 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.

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The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables are disclosed in note 7.

(2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Group's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in million Baht)			
Year 2023					
Bank overdraft and short-term borrowings	1.85 - 7.30 Cost of Funds plus (0.65 - 1.75) SOFR plus 1.25 EURIBOR plus (0.70 - 2.75)	15,337	-	-	15,337
Long-term borrowings	0.27 - 2.25 THOR plus 0.70 JIBOR plus 1.21 Cost of Funds plus (0.65, 1.75) Compounded RFR Rate plus (1.25, 1.75)	6,494	8,034	-	14,528
Lease liabilities	0.87 - 12.12	821	2,099	2,016	4,936
Debentures	2.65 - 3.50	5,498	9,993	-	15,491
Total		28,150	20,126	2,016	50,292
Less Deferred interest - lease liabilities					(1,179)
Net					49,113

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	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in million Baht)		
Year 2022					
Bank overdraft and short-term borrowings	1.40 - 8.35				
	Cost of Funds plus (0.65 - 1.50)				
	LIBOR plus (1.00 - 1.50)				
	BOE plus 1.80	16,155	-	-	16,155
Long-term borrowings	0.27 - 9.31				
	Cost of Funds plus (0.65, 1.75)				
	LIBOR plus (1.25, 1.75)				
	JIBOR plus (1.15, 1.30)	1,571	14,140	311	16,022
Lease liabilities	0.87 - 12.12	672	1,415	1,005	3,092
Debentures	2.65 - 3.50	-	15,485	-	15,485
Total		18,398	31,040	1,316	50,754
Less Deferred interest - lease liabilities					(585)
Net					50,169

(3) Market risk

The Group has the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(3.1) Interest rate benchmark reform

As a result of the interest rate benchmark reform and the cessation of LIBOR in the second quarter of 2023, the Group undertook amendments to the contractual terms with the counterparties. The outstanding contracts with interest rates that reference LIBOR with maturity date after 30 June 2023 have been transitioned to SOFR. The amendments have no material impact to the Group's financial risks and consolidated financial statements.

(3.2) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

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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 manages that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the end of the reporting period also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group had significant foreign currency risk from foreign currency assets and liabilities were as follows:

	2023	2022
	US Dollars	
	<i>(in thousand Baht)</i>	
Trade and other receivables	4,164,856	3,970,273
Interest-bearing liabilities	(3,593,136)	(4,190,984)
Trade and other payables	(2,496,693)	(2,254,362)
Net statement of financial position exposure	(1,924,973)	(2,475,073)
Forward exchange selling contracts	(2,830,586)	(1,985,285)
Forward exchange purchase contracts	2,885,663	3,498,508
Net exposure	(1,869,896)	(961,850)

A subsidiary has entered into cross currency swap contracts with a foreign bank to hedge against the risk arisen from payment on long-term borrowings of US Dollars 39 million or equivalent to approximately Baht 1,339 million, whereby exchanging currency from US Dollars to functional currency. These contracts will be due within January 2027.

Sensitivity analysis

A reasonably possible strengthening and weakening of functional currency against foreign currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement (%)	Strengthening <i>(in thousand Baht)</i>	Weakening
2023			
US Dollars	1	18,699	(18,699)
2022			
US Dollars	1	9,619	(9,619)

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(3.3) Interest rate risk

Interest rate risk is the risk caused from future movements in market interest rates that will affect the results of the Group's operations and its cash flows certainty. The Group is exposed to interest rate risk which mainly came from its borrowings from financial institution. The Group mitigates this risk by entering into interest rate swap contracts in order to manage exposure to fluctuations in interest rates on specific borrowings.

<i>Exposure to interest rate risk at 31 December</i>	2023	2022
	<i>(in thousand Baht)</i>	
<i>Financial instruments with variable interest rates</i>		
Financial assets	-	2,310
Financial liabilities	(18,702,532)	(19,859,272)
Net statement of financial position exposure	(18,702,532)	(19,856,962)
Interest rate swap contracts	1,338,745	1,776,491
Net exposure	(17,363,787)	(18,080,471)

A subsidiary has entered into interest rate swap contracts with a foreign bank to hedge against the risk of interest on long-term borrowings of US Dollars 39 million or equivalent to approximately Baht 1,339 million, whereby exchanging floating interest rates based on SOFR (2022: LIBOR) with fixed interest rates at 0.27% per annum (2022: 0.27% per annum). These contracts will be due within January 2027.

Cash flow sensitivity analysis for variable-rate financial instruments

A reasonable possible change of 1% in interest rates at 31 December would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
2023		
Financial instruments		
with variable interest rate	(187,025)	187,025
Interest rate swaps contracts	13,387	(13,387)
Cash flow sensitivity (net)	(173,638)	173,638
2022		
Financial instruments		
with variable interest rate	(198,570)	198,570
Interest rate swaps contracts	17,765	(17,765)
Cash flow sensitivity (net)	(180,805)	180,805

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26 Commitments and contingent liabilities

As at 31 December, the Group had:

- (a) Commitments for lease and purchase of property, plant and equipment of Baht 1,956 million (2022: Baht 4,835 million).
- (b) Commitments for purchase of inventories, raw materials and others of Baht 4,333 million (2022: Baht 4,371 million).
- (c) A subsidiary has entered into agreements with foreign company for the delivery and loading of Woodchips to Vessel. The subsidiary is committed to sell and deliver the Woodchips in volume equivalent to approximately 48,000 BDMT per year. The agreement period is for 12 years with the expiration date in December 2034.
- (d) A subsidiary has entered into agreements with local company for provide Biofuel to delivery point. The subsidiary is committed to sell and deliver the Biofuel in volume equivalent to approximately 73,000 tons per year. The agreement period is for 25 years with the expiration date in August 2037.

27 Capital management

The management of the Group has a capital management policy with the objective to maintain a strong capital base by emphasizing on planning and determining operating strategies that will ensure a sustainable business performance and cash flow management. In addition, the Group also considers to have a strong financial foundation. Therefore, the Group have considered in investing in projects that have good rate of return, maintaining appropriate working capital, as well as having a sufficient cash reserves and an appropriate investment structure to have a firm operating business in the future and maintain the confidence of shareholders, investors, creditors, and other stakeholders.

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28 Events after the reporting period

At the Board of Directors' Meeting of the Company held on 23 January 2024, the directors approved the following matters:

- (a) To submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2023 at the rate of Baht 0.55 per share, totaling approximately Baht 2,361 million. An interim dividend of Baht 0.25 per share was paid on 22 August 2023, as disclosed in note 24. The final dividend will be at the rate of Baht 0.30 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 1,288 million and is scheduled for payment on 22 April 2024. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 26 March 2024.
- (b) To issue and offer the debenture No. 1/2024 on 1 April 2024, in the amount of not exceeding Baht 5,000 million and the additional greenshoe of not exceeding Baht 100 million. Term of the new debenture is 3 years and 8 months with fixed interest rate at 3.40% per annum, and due for redemption on 1 December 2027. The objective is for investment and/or working capital for business operations.

29 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 accounting periods beginning on or after 1 January 2024 and have not been adopted in the preparation of these consolidated financial statements because they are not yet effective. The Group has assessed the potential initial impact on the consolidated financial statements of these revised TFRSs and expected that there will be no material impact on the consolidated financial statements in the year of initial application. Except for TAS 12 *Income Taxes*, the Group is in the process of assessing the impact of the minimum top-up tax in the countries where the Group operates.



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Independent auditor’s report

To the Shareholders of SCG Packaging Public Company Limited

Opinion

I have audited the financial statements of SCG Packaging Public Company Limited (the “Company”), which comprise the statement of financial position as at 31 December 2023, 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 2023, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Impairment testing of investments in associates and subsidiaries	
Refer to Notes 3(i), 6 and 7 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The management assessed the impairment indicators of investments in associates and subsidiaries given rise to impairment testing by focusing on the business that its performance was below expectations. The impairment testing of investments in associates and subsidiaries involves management judgments in identifying whether there are impairment indicators on the investment, including estimating the recoverable amount, in particular the forecasting of future cash flows derived from financial budget of the associates and subsidiaries, expected growth rates and discount rates. Therefore, this is an area of focus in my audit.	My audit procedures included, among others: <ul style="list-style-type: none"> • obtaining understanding of the identification of impairment indicators and impairment testing procedures of the management; • assessing reasonableness of the identification of impairment indicators and the key assumptions which underpinned the recoverable amount of investment in associates and subsidiaries and testing the appropriateness of significant assumptions which supported discounted cash flows projection such as cash flow forecasts, long-term growth rates and discount rates used by management with reference to recent performance and trend analysis, and comparing with market situations and operating environment, industry knowledge and other information obtained during the audit; including evaluating the reasonableness of the forecasting of financial performances by comparing historical estimation to the actual operating results; • evaluating the appropriateness of the valuation methodology used by management and testing the mathematical accuracy of the recoverable amount and impairment calculations; and • considering the adequacy of the disclosures in accordance with the financial reporting standard.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor’s report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Pornthip R'.

(Pornthip Rimdusit)
Certified Public Accountant
Registration No. 5565

KPMG Phoomchai Audit Ltd.
Bangkok
13 February 2024


SCG Packaging Public Company Limited


Statement of financial position

As at 31 December 2023

Assets	Note	2023	2022
		<i>(in thousand Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents		1,202,322	4,890,048
Short-term investments	21	5,051,900	-
Other current receivables	4, 5	334,412	504,717
Short-term loans to related parties	4	35,201,275	40,387,271
Other current assets		63,706	88,304
Total current assets		<u>41,853,615</u>	<u>45,870,340</u>
<i>Non-current assets</i>			
Investments in associates	6	350,121	350,121
Investments in subsidiaries	7	49,415,280	48,217,163
Investment property	8	303,865	306,023
Property, plant and equipment	9	307,766	344,528
Intangible assets	11	466,374	352,049
Deferred tax assets	12	175,900	109,588
Other non-current assets		80,693	73,441
Total non-current assets		<u>51,099,999</u>	<u>49,752,913</u>
Total assets		<u>92,953,614</u>	<u>95,623,253</u>

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

Statement of financial position

As at 31 December 2023

Liabilities and shareholders' equity	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Short-term borrowings from financial institutions	<i>14</i>	-	2,940,000
Other current payables	<i>4, 13</i>	393,778	292,620
Current portion of long-term borrowings			
from financial institution	<i>14</i>	4,999,030	-
Current portion of lease liabilities	<i>4, 14</i>	57,439	61,699
Current portion of debenture	<i>14</i>	5,497,816	-
Short-term borrowings from related parties	<i>4, 14</i>	203,399	120,736
Other current liabilities		30,351	29,589
Total current liabilities		<u>11,181,813</u>	<u>3,444,644</u>
<i>Non-current liabilities</i>			
Long-term borrowings from financial institutions	<i>14</i>	5,126,475	9,992,551
Lease liabilities	<i>4, 14</i>	65,141	93,455
Debentures	<i>14</i>	9,992,878	15,484,603
Non-current provisions for employee benefits	<i>15</i>	511,960	535,634
Other non-current liabilities		13,547	12,494
Total non-current liabilities		<u>15,710,001</u>	<u>26,118,737</u>
Total liabilities		<u>26,891,814</u>	<u>29,563,381</u>

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited

Statement of financial position

As at 31 December 2023

Liabilities and shareholders' equity	Note	2023	2022
		<i>(in thousand Baht)</i>	
Shareholders' equity			
Share capital			
<i>Authorized share capital</i>			
<i>(4,500 million ordinary shares, par value at Baht 1 per share)</i>			
		<u>4,500,000</u>	<u>4,500,000</u>
<i>Issued and paid share capital</i>			
<i>(4,293 million ordinary shares, par value at Baht 1 per share)</i>			
		4,292,920	4,292,920
Share premium		40,860,245	40,860,245
Retained earnings			
<i>Appropriated</i>			
Legal reserve	16	450,000	450,000
General reserve		3,000	3,000
<i>Unappropriated</i>			
		<u>20,455,635</u>	<u>20,453,707</u>
Total shareholders' equity		<u>66,061,800</u>	<u>66,059,872</u>
Total liabilities and shareholders' equity		<u>92,953,614</u>	<u>95,623,253</u>

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited

Income statement

For the year ended 31 December 2023

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Dividend income	4, 6, 7	2,743,562	2,858,172
Service income	4	1,686,063	1,990,288
Interest income	4	1,031,127	868,849
Other income	4	374,129	674,191
Total income		5,834,881	6,391,500
Administrative expenses	4, 17	(2,677,714)	(2,466,711)
Profit from operations		3,157,167	3,924,789
Finance costs	4	(686,293)	(484,860)
Profit before income tax		2,470,874	3,439,929
Tax income (expense)	19	81,190	(6,079)
Profit for the year		2,552,064	3,433,850
Basic earning per share (in Baht)		0.59	0.80

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2023

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Profit for the year		2,552,064	3,433,850
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain (loss) on remeasurements of defined benefit plans	15	32,063	(37,536)
Income tax relating to items that will not be reclassified subsequently to profit or loss	19	<u>(6,741)</u>	<u>7,507</u>
Other comprehensive income for the year, net of tax		<u>25,322</u>	<u>(30,029)</u>
Total comprehensive income for the year		<u><u>2,577,386</u></u>	<u><u>3,403,821</u></u>

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 2023

	Note	Issued and paid share capital	Share premium	Retained earnings			Total shareholders' equity
				Legal reserve (in thousand Baht)	Appropriated General reserve	Unappropriated	
Balance at 1 January 2022		4,292,920	40,860,245	450,000	3,000	19,840,071	65,446,236
Transactions with owners, recorded directly in shareholders' equity <i>Contributions by and distributions to owners of the Company</i>							
Dividends	20	-	-	-	-	(2,790,185)	(2,790,185)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	-	(2,790,185)	(2,790,185)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(2,790,185)	(2,790,185)
Comprehensive income for the year							
Profit or loss		-	-	-	-	3,433,850	3,433,850
Other comprehensive income		-	-	-	-	(30,029)	(30,029)
Total comprehensive income for the year		-	-	-	-	3,403,821	3,403,821
Balance at 31 December 2022		4,292,920	40,860,245	450,000	3,000	20,453,707	66,059,872

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2023

	Note	Issued and paid share capital	Share premium	Retained earnings			Total shareholders' equity
				Legal reserve (in thousand Baht)	Appropriated General reserve	Unappropriated	
Balance at 1 January 2023		4,292,920	40,860,245	450,000	3,000	20,453,707	66,059,872
Transactions with owners, recorded directly in shareholders' equity <i>Contributions by and distributions to owners of the Company</i>							
Dividends	20	-	-	-	-	(2,575,458)	(2,575,458)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	-	(2,575,458)	(2,575,458)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(2,575,458)	(2,575,458)
Comprehensive income for the year							
Profit or loss		-	-	-	-	2,552,064	2,552,064
Other comprehensive income		-	-	-	-	25,322	25,322
Total comprehensive income for the year		-	-	-	-	2,577,386	2,577,386
Balance at 31 December 2023		4,292,920	40,860,245	450,000	3,000	20,455,635	66,061,800

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 2023

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the year	2,552,064	3,433,850
<i>Adjustments for</i>		
Tax (income) expense	(81,190)	6,079
Depreciation and amortization	120,492	95,658
Non-current provisions for employee benefit expense (reversal)	43,589	(6,661)
Loss (gain) on foreign currency exchange	42	(302,292)
Gain on measured at fair value	(51,900)	(15,952)
Dividend income	(2,743,562)	(2,858,172)
Interest income	(1,031,127)	(868,849)
Finance costs and others	686,087	484,510
Cash flows generated from operations		
before changes in operating assets and liabilities	(505,505)	(31,829)
<i>Decrease (increase) in operating assets</i>		
Other current receivables	165,270	50,348
Other assets	13,477	18,893
Net decrease in operating assets	178,747	69,241
<i>Increase (decrease) in operating liabilities</i>		
Other current payables	104,452	(5,446)
Non-current provisions for employee benefits	(35,200)	(20,059)
Other liabilities	1,816	3,009
Net increase (decrease) in operating liabilities	71,068	(22,496)
Net cash flows generated from (used in) operations	(255,690)	14,916
Income tax received (paid)	12,006	(37,944)
Net cash flows used in operating activities	(243,684)	(23,028)

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 2023

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>		
Payments of investments in subsidiaries	(1,198,117)	(1,472,100)
Proceeds from sale of short-term investments	-	12,122,301
Acquisition of short-term investments	(5,000,000)	-
Proceeds from sale of property, plant and equipment	6	60
Acquisition of property, plant and equipment	(19,228)	(42,893)
Proceeds from sale of intangible assets	-	2,334
Acquisition of intangible assets	(144,552)	(200,193)
Proceeds from repayment of (payments for) short-term loans to related parties, net	5,185,996	(2,867,452)
Dividends received	2,743,562	2,858,172
Interest received	1,029,173	881,940
Net cash flows provided by investing activities	2,596,840	11,282,169
<i>Cash flows from financing activities</i>		
<i>Proceeds from (payments of) borrowings</i>		
Payments of short-term borrowings from financial institutions, net	(2,940,000)	(13,440,000)
Proceeds from short-term borrowings from related parties, net	82,663	2,663
Proceeds from long-term borrowings from financial institution	135,000	-
Payments of lease liabilities	(62,289)	(55,528)
Proceeds from issuance of debentures	-	10,000,000
Net decrease in borrowings	(2,784,626)	(3,492,865)
Dividends paid	(2,575,458)	(2,790,185)
Interest and other finance costs paid	(680,798)	(417,951)
Net cash flows used in financing activities	(6,040,882)	(6,701,001)
Net increase (decrease) in cash and cash equivalents	(3,687,726)	4,558,140
Cash and cash equivalents at beginning of the year	4,890,048	331,908
Cash and cash equivalents at end of the year	1,202,322	4,890,048
<i>Supplementary information for cash flows</i>		
Non-cash from investing transaction at end of the year		
Account payables from purchase of assets	5,220	9,923

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

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SCG Packaging Public Company Limited

Notes to the financial statements

For the year ended 31 December 2023

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 13 February 2024.

1 General information

SCG Packaging Public Company Limited, the “Company”, is incorporated in Thailand. The Company’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited. It is incorporated in Thailand.

The Company is engaged in investment.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRSs”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

The preparation of financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition and are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

(b) Other receivables

A receivable is recognized when the Company has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, by taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the end of the reporting period.

(c) Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost less accumulated impairment losses.

(d) Investment property

Investment properties are properties which are held as right-of-use assets, as well as properties that are owned by the Company. Investment properties are held to earn rental income, or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials, direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is charged on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	20 years
Building	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.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

(e) Property, plant and equipment

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognized in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is provided on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5, 20	years
Building and structures	5 - 20	years
Machinery and equipment	5 - 20	years
Vehicles and equipment	5, 10	years
Furniture, fixtures and office equipment	3 - 20	years

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(f) Intangible assets

Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

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.

Other intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use. No amortization is provided on development cost.

The estimated useful lives are as follows:

Software licenses and others	3 - 20 years
------------------------------	--------------

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 expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and accumulated impairment loss, and adjusted for any remeasurements of lease liability.

The cost of right-of-use asset includes the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs and an estimate of restoration costs, less any lease incentives received.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful lives of the underlying asset which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

(h) Lessor

At inception or on modification of a contract, the Company allocates the consideration in the contract to each component on the basis of their relative stand-alone selling prices.

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Company recognizes lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as other income in the accounting period in which they are earned.

(i) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Company will estimate the assets' recoverable amounts. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

An impairment loss of asset recognized in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Other payables

Other payables are stated at amortized cost.

(k) Employee benefits

Defined contribution plans

Obligations for contributions to provident fund for the Company's employee are expensed in profit or loss as the related service is provided.

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 return for their services in the current and prior periods. The defined benefit obligation is discounted to the present value, which performed annually by a qualified actuary.

For remeasurements of the net defined benefit liability, actuarial gains or losses are recognized in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, by taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Gain or loss on remeasurement is recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits or when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(l) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(m) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties and value added tax.

Service fee income

Service income is recognized over time as the services are provided.

Dividend income

Dividend income is recognized in profit or loss on the date that the Company's right to receive the dividend is established.

Other income

Other income comprising intellectual property income is recognized on an accrual basis in accordance with the terms of agreement, rental income and others is recognized on accrual basis.

(2) Contract assets and liabilities

Contract assets are recognized when the Company has recognized revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Company is entitled to, less allowance for expected credit loss. The contract assets are classified as receivables when the Company has an unconditional right to receive consideration that usually occurs when the Company issues an invoice to the customer.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognized when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognizes the related revenue.

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(n) Expenses

Finance costs

Finance costs comprise interest expense on borrowings and unwinding of the discount on provision.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Early retirement expenses

The Company offers certain qualifiable employees the option to take early retirement from the Company. Eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Company records expenses on early retirement upon mutual acceptance.

(o) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is recognized in respect of the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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(p) Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currency transactions and measured in terms of historical cost are translated to the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the foreign exchange rates at the end of the reporting period.

Foreign exchange differences are generally recognized in profit or loss.

(q) Financial instruments

Classification and measurement

Debt securities issued by the Company are initially recognized when they are originated. Other financial assets and financial liabilities, except trade receivables and trade payables, are initially recognized when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value by taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognized in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except that the financial liabilities are held for trading or derivatives, which are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are also recognized in profit or loss.

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

Derecognition and offset

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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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

Derivatives are recognized at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

Impairment of financial assets

The Company recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost.

The Company recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or trade receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Company considers a financial asset to have low credit risk when its credit rating is the investment grade. The Company recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are remeasured at the end of the reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

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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 in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to carrying amount of the financial assets after impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(r) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company use observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

(s) Related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa; a person or entity that are under common control or the same significant influence as the Company.

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Notes to the financial statements
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4 Related parties

Relationships with related parties that the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Siam Kraft Industry Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Phoenix Pulp & Paper Public Company Limited	Thailand	Subsidiary, direct ownership interest
Thai Cane Paper Public Company Limited	Thailand	Subsidiary, direct ownership interest
Thai Containers Group Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Invenique Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Excellence Training Center Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCG Paper Energy Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Solutions Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP-T Plastics Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Rigid Plastics Co., Ltd.	Thailand	Subsidiary, direct ownership interest
International Healthcare Packaging Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SKIC International Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Phoenix Utilities Co., Ltd. *	Thailand	Subsidiary, indirect ownership interest
Thai Containers Khonkaen Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Containers Rayong Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
The Siam Forestry Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Paper Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Wanabhum Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Siam Panawes Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panaboon Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panaram Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Panas Nimit Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Suanpa Rungstris Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panadorn Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panason Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Tawana Container Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Orient Containers Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Dyna Packs Co., Ltd. *	Thailand	Subsidiary, indirect ownership interest
D-In Packs Co., Ltd. *	Thailand	Subsidiary, indirect ownership interest
TC Flexible Packaging Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Prepack Thailand Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Precision Print Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Conimex Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Vexcel Pack Co., Ltd.	Thailand	Subsidiary, indirect ownership interest

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Name of entities	Country of incorporation/ nationality	Nature of relationships
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
Packamex (Vietnam) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Tin Thanh Packing Joint Stock Company	Vietnam	Subsidiary, indirect ownership interest
Bien Hao Packaging Joint Stock Company	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Plastics Manufacturing Corporation	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Long An Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Precision Mold Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Mata Plastic Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Binh Duong Plastics Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Go-Pak Vietnam Limited	Vietnam	Subsidiary, indirect ownership interest
Go-Pak Paper Products Vietnam Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
United Pulp and Paper Co., Inc.	Philippines	Subsidiary, direct ownership interest
SCGP Solutions (Singapore) Pte. Ltd.	Singapore	Subsidiary, direct ownership interest
SCGP Rigid Packaging Solutions Pte. Ltd.	Singapore	Subsidiary, direct ownership interest
TCG Solutions Pte. Ltd.	Singapore	Subsidiary, indirect ownership interest
PT Primacorr Mandiri	Indonesia	Subsidiary, indirect ownership interest
PT Indoris Printingdo	Indonesia	Subsidiary, indirect ownership interest
PT Indocorr Packaging Cikarang	Indonesia	Subsidiary, indirect ownership interest
PT Fajar Surya Wisesa Tbk.	Indonesia	Subsidiary, indirect ownership interest
PT Dasaya Aria Prima	Indonesia	Subsidiary, indirect ownership interest
PT Indonesia DIRTAJAYA Aneka Industri Box	Indonesia	Subsidiary, indirect ownership interest
PT Bahana Buana Box	Indonesia	Subsidiary, indirect ownership interest
PT Rapi-pack Asritama	Indonesia	Subsidiary, indirect ownership interest
Interpress Printers Sendirian Berhad	Malaysia	Subsidiary, indirect ownership interest
Jordan Trading Inc.	The United States	Subsidiary, indirect ownership interest
Peute Recycling B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Papierrecycling B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Plasticrecycling B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Recycling International B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Investments B.V.	Netherlands	Subsidiary, indirect ownership interest
Infiniplast B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute UK Limited	United Kingdom	Subsidiary, indirect ownership interest
Go-Pak UK Limited	United Kingdom	Subsidiary, indirect ownership interest
Law Print & Packaging Management Limited	United Kingdom	Subsidiary, indirect ownership interest

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Law Print & Packaging Management Limited	Ireland	Subsidiary, indirect ownership interest
Bicappa Lab S.r.L.	Italy	Subsidiary, indirect ownership interest
Peute Portugal, Unipessoal Lda	Portugal	Subsidiary, indirect ownership interest
Peute Recycling Spain S.L.	Spain	Subsidiary, indirect ownership interest
Detalab Global, S.L.	Spain	Subsidiary, indirect ownership interest
Detalab, S.L.	Spain	Subsidiary, indirect ownership interest
Keylab, S.L.U.	Spain	Subsidiary, indirect ownership interest
Envases Farmaceuticos, S.A.	Spain	Subsidiary, indirect ownership interest
Nirco, S.L.	Spain	Subsidiary, indirect ownership interest
Sanilabo, S.L.U.	Spain	Subsidiary, indirect ownership interest
Equilabo Scientific, S.L.U.	Spain	Subsidiary, indirect ownership interest
Siam Toppan Packaging Co., Ltd.	Thailand	Associate, direct ownership interest
Siam Nippon Industrial Paper Co., Ltd.	Thailand	Associate, indirect ownership interest
P&S Holdings Corporation	Philippines	Associate, direct ownership interest
SCG Legal Counsel Limited	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Chemicals Public Company Limited	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Distribution Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Building and Living Care Consulting Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
PT SCG Indonesia	Indonesia	Subsidiary of The Siam Cement Public Company Limited
SCG Vietnam Co., Ltd.	Vietnam	Subsidiary of The Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	Associate of The Siam Cement Public Company Limited

* Currently in the liquidation process.

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Significant transactions with related parties for the years ended 31 December and the pricing policies are summarized as follows:

	2023	2022	Pricing Policies
	<i>(in thousand Baht)</i>		
<i>Parent</i>			
Service fee and lease-related expense	240,328	216,608	Cost plus method and contract rate
<i>Subsidiaries</i>			
Rental income	30,158	33,470	Contract rate
Intellectual property income	265,984	255,840	Percentage of net sales
Service charges income	1,677,282	1,981,915	Cost plus method and contract rate
Dividend income	2,737,535	2,850,160	Upon declaration
Interest income	1,008,144	855,199	Contract rate
Interest expense	989	194	Contract rate
<i>Associates</i>			
Dividend income	6,027	8,012	Upon declaration

Balances as at 31 December with related parties were as follows:

	Note	2023	2022
		<i>(in thousand Baht)</i>	
<i>Other current receivables</i>			
Parent		3,994	3,865
Subsidiaries		293,813	467,108
Associates		556	620
Others		32	9
Total	5	<u>298,395</u>	<u>471,602</u>
<i>Short-term loans</i>			
Subsidiaries		<u>35,201,275</u>	<u>40,387,271</u>
<i>Short-term loans to related parties</i>			
At 1 January		40,387,271	43,384,481
Increase		1,767,756	9,893,169
Decrease		(6,953,752)	(12,890,379)
At 31 December		<u>35,201,275</u>	<u>40,387,271</u>
<i>Other non-current assets</i>			
Parent		<u>4,276</u>	<u>6,324</u>

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	2023	2022
	<i>(in thousand Baht)</i>	
<i>Other current payables</i>		
Parent	36,553	11,173
Subsidiaries	6,004	7,918
Others	9,904	8,323
Total	<u>52,461</u>	<u>27,414</u>
 <i>Short-term borrowings</i>		
Subsidiaries	<u>203,399</u>	<u>120,736</u>
 <i>Short-term borrowings from related parties</i>		
At 1 January	120,736	118,073
Increase	197,902	173,956
Decrease	(115,239)	(171,293)
At 31 December	<u>203,399</u>	<u>120,736</u>
 <i>Lease Liabilities</i>		
<i>Current and non-current portion</i>		
Parent	32,631	57,185
Subsidiaries	16,310	17,180
Total	<u>48,941</u>	<u>74,365</u>

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The Board of Directors and key management compensation

	2023	2022
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Short-term employee benefits	102,145	104,763
Post-employment benefits	8,909	7,661
Total	<u>111,054</u>	<u>112,424</u>

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.

5 Other current receivables

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Related parties	4	298,395	471,602
Other parties		36,017	33,115
Total		<u>334,412</u>	<u>504,717</u>

Other current receivables as at 31 December were as follows:

	2023	2022
	<i>(in thousand Baht)</i>	
Accrued service income	276,848	443,861
Accrued interest income	30,653	28,700
Others	26,911	32,156
Total	<u>334,412</u>	<u>504,717</u>

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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	
	2023	2022	2023	2022	2023	2022	2023	2022
	<i>(%)</i>				<i>(in thousand Baht)</i>			
Siam Toppan Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	6,027	8,012
P&S Holdings Corporation	40	40	262,588	262,588	105,121	105,121	-	-
Total			<u>762,588</u>	<u>762,588</u>	<u>350,121</u>	<u>350,121</u>	<u>6,027</u>	<u>8,012</u>

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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:

	2023	2022
	<i>(in thousand Baht)</i>	
At 1 January	48,217,163	40,577,172
Acquisitions and additional investments	<u>1,198,117</u>	<u>7,639,991</u>
At 31 December	<u>49,415,280</u>	<u>48,217,163</u>

In June 2022, Thai Containers Group Co., Ltd. had increase share capital for 19,600,000 shares or approximately Baht 1,960 million. The Company subscribed to the portion of its shareholdings of 13,720,000 shares totaling Baht 1,372 million. The Company has already been registered with the Ministry of Commerce on 9 June 2022.

In June 2022, Invenique Co., Ltd. had increase share capital for 1,000,000 shares or approximately Baht 100 million. The Company entirely subscribed of share capital. The Company has already been registered with The Ministry of Commerce on 16 June 2022.

In August 2022, the Company purchased all shares held in SKIC International Company Limited from Siam Kraft Industry Co., Ltd. for 1,000 shares at 100 Baht per share totaling Baht 0.1 million.

In August 2022, SCGP Rigid Packaging Solutions Pte. Ltd. which is a wholly owned subsidiary of the Company had increased the share capital for 236,202,920 shares, amounting to US Dollars 171 million or equivalent to Baht 6,168 million. The Company entirely subscribed of share capital. The Company has already been registered with the relevant authorities on 10 October 2022.

In October 2022, SCGP Solutions (Singapore) Pte. Ltd. has increase share capital for 321,891,886 shares, amounting to US Dollars 233 million or equivalent to Baht 8,405 million. The Company had not paid-up increased of the share capital. The Company's holdings in SCGP Solutions (Singapore) Pte. Ltd. then decrease from 10.29% to 7.71% and SCGP Solutions (Singapore) Pte. Ltd. will remain an investment in subsidiary of the Company because the Company has control through indirect shareholding by the subsidiary of the Company.

In July 2023, SKIC International Co., Ltd. had increase share capital for 1,119,000 shares or approximately Baht 112 million. The Company entirely subscribed of share capital. The Company has already been registered with The Ministry of Commerce on 17 July 2023.

In November 2023, SCGP Solutions (Singapore) Pte. Ltd. has increase share capital for 42,744,290 shares, amounting to US Dollars 31 million or equivalent to Baht 1,086 million. The Company had paid-up increased of the share capital. The Company has already been registered with the relevant authorities on 23 November 2023. The Company's holdings in SCGP Solutions (Singapore) Pte. Ltd. then increase from 7.71% to 10.68% and SCGP Solutions (Singapore) Pte. Ltd. will remain an investment in subsidiary of the Company because the Company has control through indirect shareholding by the subsidiary of the Company.

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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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(%)		(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	1,035,036	692,309
SCGP Rigid Packaging Solutions Pte. Ltd.	100	100	8,900,291	8,900,291	8,900,291	8,900,291	-	-	8,900,291	8,900,291	-	-
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	439,739	527,687
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	793,500	1,035,000
International Healthcare Packaging Co., Ltd.	100	100	3,361,000	3,361,000	3,360,834	3,360,834	-	-	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	-	-
Thai Containers Group Co., Ltd.	70	70	3,344,000	3,344,000	2,385,805	2,385,805	-	-	2,385,805	2,385,805	175,560	150,164
SCGP Solutions (Singapore) Pte. Ltd.	10.68	7.71	31,227,311	30,141,095	3,411,158	2,324,941	-	-	3,411,158	2,324,941	-	-
SCG Paper Energy Co., Ltd.	100	100	890,000	890,000	890,000	890,000	-	-	890,000	890,000	293,700	445,000
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	-	-
Invenique Co., Ltd.	100	100	206,700	206,700	206,700	206,700	64,035	64,035	142,665	142,665	-	-
SCGP Excellence Training Center Co., Ltd.	100	100	49,000	49,000	49,000	49,000	-	-	49,000	49,000	-	-
SKIC International Company Limited	100	100	112,000	100	112,000	100	-	-	112,000	100	-	-
Total			68,112,412	66,914,296	49,479,315	48,281,198	64,035	64,035	49,415,280	48,217,163	2,737,535	2,850,160

SCG Packaging Public Company Limited
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For the year ended 31 December 2023

8 Investment property

	Land and land improvements	Buildings <i>(in thousand Baht)</i>	Total
<i>Cost</i>			
At 1 January 2022	317,356	36,993	354,349
Additions	4,559	-	4,559
Transfers from property, plant and equipment	4,435	-	4,435
At 31 December 2022	326,350	36,993	363,343
Additions	9,446	-	9,446
At 31 December 2023	335,796	36,993	372,789
<i>Accumulated depreciation</i>			
At 1 January 2022	30,700	20,876	51,576
Depreciation charge for the year	3,905	1,839	5,744
At 31 December 2022	34,605	22,715	57,320
Depreciation charge for the year	9,765	1,839	11,604
At 31 December 2023	44,370	24,554	68,924
<i>Carrying amount</i>			
At 31 December 2022	291,745	14,278	306,023
At 31 December 2023	291,426	12,439	303,865

The Company determined fair value of investment properties at open market values on an existing use basis. As at 31 December 2023, the fair value was Baht 903 million (2022: Baht 372 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 and market approach.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

9 Property, plant and equipment

	Land and land improvements	Buildings and structures	Machinery and equipment	Vehicles and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
<i>(in thousand Baht)</i>							
Cost							
At 1 January 2022	62,228	223,931	367,981	86,796	74,819	29,499	845,254
Additions	-	2,878	15,499	23,534	43,168	21,303	106,382
Disposals / written off	-	(1,114)	(31,433)	(44,197)	(3,716)	-	(80,460)
Transfers to investment property	-	-	-	-	-	(4,435)	(4,435)
Transfers in (out)	-	5,685	14,199	-	127	(21,188)	(1,177)
At 31 December 2022	62,228	231,380	366,246	66,133	114,398	25,179	865,564
Additions	-	351	5,258	20,183	10,599	7,486	43,877
Disposals / written off	-	(4,228)	(48)	(27,536)	-	-	(31,812)
Transfers in (out)	-	4,336	6,918	-	858	(6,681)	5,431
At 31 December 2023	62,228	231,839	378,374	58,780	125,855	25,984	883,060
Accumulated depreciation							
At 1 January 2022	13,813	115,266	279,815	34,147	57,461	-	500,502
Depreciation charge for the year	970	26,879	17,365	20,861	11,161	-	77,236
Disposals / written off	-	(752)	(31,192)	(21,042)	(3,716)	-	(56,702)
At 31 December 2022	14,783	141,393	265,988	33,966	64,906	-	521,036
Depreciation charge for the year	970	26,816	18,548	16,139	14,888	-	77,361
Disposals / written off	-	(2,802)	(47)	(20,254)	-	-	(23,103)
At 31 December 2023	15,753	165,407	284,489	29,851	79,794	-	575,294
Carrying amount							
At 31 December 2022							
Owned assets	31,264	45,029	100,258	123	1,986	25,179	203,839
Right-of-use assets	16,181	44,958	-	32,044	47,506	-	140,689
	47,445	89,987	100,258	32,167	49,492	25,179	344,528
At 31 December 2023							
Owned assets	31,245	44,899	93,885	35	2,777	25,984	198,825
Right-of-use assets	15,230	21,533	-	28,894	43,284	-	108,941
	46,475	66,432	93,885	28,929	46,061	25,984	307,766

In 2023, the right-of-use assets of the Company has increased amounting to Baht 30 million (2022: Baht 67 million).

SCG Packaging Public Company Limited
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For the year ended 31 December 2023

10 Leases

The Company leases land, buildings, vehicles and office equipment. The rental due and rate are as specified in the contract.

For the year ended 31 December

2023 2022
(in thousand Baht)

Amounts recognized in profit or loss

Depreciation of right-of-use assets:

- Land and land improvements	951	951
- Buildings and structures	21,998	22,528
- Vehicles and equipment	16,051	20,766
- Furniture, fixtures and office equipment	13,791	9,953
Interest on lease liabilities	3,622	4,214
Expenses relating to short-term leases	88	120
Expenses relating to leases of low-value assets	20,279	18,381

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11 Intangible assets

	Software licenses and others	Development cost <i>(in thousand Baht)</i>	Total
<i>Cost</i>			
At 1 January 2022	121,393	136,374	257,767
Additions	9,339	190,020	199,359
Disposals / written off	(4,559)	-	(4,559)
Transfer in (out)	29,554	(28,377)	1,177
At 31 December 2022	155,727	298,017	453,744
Additions	23,892	120,553	144,445
Disposals / written off	(4,973)	-	(4,973)
Transfer in (out)	168,746	(167,314)	1,432
At 31 December 2023	343,392	251,256	594,648
<i>Accumulated amortization</i>			
At 1 January 2022	91,122	-	91,122
Amortization charge for the year	13,021	-	13,021
Disposals / written off	(2,448)	-	(2,448)
At 31 December 2022	101,695	-	101,695
Amortization charge for the year	31,552	-	31,552
Disposals / written off	(4,973)	-	(4,973)
At 31 December 2023	128,274	-	128,274
<i>Carrying amount</i>			
At 31 December 2022	54,032	298,017	352,049
At 31 December 2023	215,118	251,256	466,374

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12 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the statement of financial position as follows:

	2023	2022
	<i>(in thousand Baht)</i>	
Deferred tax assets	179,663	114,157
Deferred tax liabilities	<u>(3,763)</u>	<u>(4,569)</u>
Net	<u>175,900</u>	<u>109,588</u>

Movements in total deferred tax assets and liabilities during the years were as follows:

	At 1 January 2022	Credited (charged) to other profit or loss comprehensive income		At 31 December 2022
		<i>(Note 19)</i>		
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Provisions for employee benefits	104,963	2,664	5,418	113,045
Lease liabilities	-	1,112	-	1,112
Total	<u>104,963</u>	<u>3,776</u>	<u>5,418</u>	<u>114,157</u>
<i>Deferred tax liabilities</i>				
Financial liabilities	(3,496)	(1,073)	-	(4,569)
Others	(1,446)	1,446	-	-
Total	<u>(4,942)</u>	<u>373</u>	<u>-</u>	<u>(4,569)</u>
Net	<u>100,021</u>	<u>4,149</u>	<u>5,418</u>	<u>109,588</u>

SCG Packaging Public Company Limited
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For the year ended 31 December 2023

	At 1 January 2023	Credited (charged) to profit or loss other comprehensive income <i>(Note 19)</i> <i>(in thousand Baht)</i>		At 31 December 2023
<i>Deferred tax assets</i>				
Provisions for employee benefits	113,045	2,158	(6,741)	108,462
Loss carry forward	-	70,226	-	70,226
Lease liabilities	1,112	(137)	-	975
Total	114,157	72,247	(6,741)	179,663
<i>Deferred tax liabilities</i>				
Financial liabilities	(4,569)	809	-	(3,760)
Others	-	(3)	-	(3)
Total	(4,569)	806	-	(3,763)
Net	109,588	73,053	(6,741)	175,900

The deductible temporary differences that the Company has not recognized as deferred tax assets are as the follow:

	2023	2022
	<i>(in thousand Baht)</i>	
Temporary differences		
- Other current receivables	16,963	16,963
- Investment in subsidiaries	64,035	64,035
Total	80,998	80,998

13 Other current payables

	2023	2022
	<i>(in thousand Baht)</i>	
Accrued expenses	117,665	24,962
Accrued interest	113,304	111,854
Withholding tax payable	76,355	70,722
Value added tax payable	6,009	14,492
Account payables from purchases of assets	5,220	9,923
Others	75,225	60,667
Total	393,778	292,620

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14 Interest-bearing liabilities

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Current</i>		
- Unsecured		
Short-term borrowings from financial institutions	-	2,940,000
Current portion of long-term borrowings	4,999,030	-
Current portion of lease liabilities	57,439	61,699
Current portion of debenture	5,497,816	-
Short-term borrowings from relates parties	203,399	120,736
	<u>10,757,684</u>	<u>3,122,435</u>
<i>Non-current</i>		
- Unsecured		
Long-term borrowings from financial institutions	5,126,475	9,992,551
Lease liabilities	65,141	93,455
Debentures	9,992,878	15,484,603
	<u>15,184,494</u>	<u>25,570,609</u>
Total interest-bearing liabilities	<u>25,942,178</u>	<u>28,693,044</u>

As at 31 December 2023, long-term borrowings from financial institutions of the Company has an average interest rate from 1.72% to 3.20% per annum (2022: 1.72% to 2.25% per annum). These agreements will be due within October 2028.

On 3 October 2023, the Company signed a Green Loan agreement with a local financial institution amounting to Baht 3,000 million. Term of the loan is the 5 years with a floating interest rate. This loan will be gradually drawn down for investment in projects that align with Green Financing Framework, such as Renewable Energy, Energy Efficiency, and Water Management projects.

Debentures

As at 31 December 2023, the Company has unsubordinated and unsecured debentures totaling Baht 15,500 million (2022: Baht 15,500 million) as follows:

Debentures no.	2023	2022	Interest rate	Term	Maturity date
	<i>(in thousand Baht)</i>		<i>(%p.a.)</i>		
1/2021	5,500,000	5,500,000	2.65	3 years 8 months	1 December 2024
1/2022	5,000,000	5,000,000	2.80	2 years 10 months	1 June 2025
2/2022	5,000,000	5,000,000	3.50	4 years	1 December 2026
Total	<u>15,500,000</u>	<u>15,500,000</u>			
Less debentures issuing expenses	<u>(9,306)</u>	<u>(15,397)</u>			
Net	<u>15,490,694</u>	<u>15,484,603</u>			

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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

	2023	2022
	<i>(in thousand Baht)</i>	
Post-employment benefits - legal severance payments plan	492,829	519,448
Other long-term employee benefits	19,131	16,186
Total	<u>511,960</u>	<u>535,634</u>

Movements in the present value of non-current provisions for defined benefit plans

	2023	2022
	<i>(in thousand Baht)</i>	
Non-current provisions for defined benefit plans at 1 January	535,634	524,818
Included in profit or loss		
Current service costs	26,418	26,095
Interest on obligation	15,480	10,435
Actuarial losses	1,691	1,584
Transfer of non-current provisions for employee benefits to related party	-	(44,775)
	<u>43,589</u>	<u>(6,661)</u>
Included in other comprehensive income		
Actuarial losses (gains)	(32,063)	37,536
Others		
Benefits paid	(35,200)	(20,059)
Non-current provisions for defined benefit plans at 31 December	<u>511,960</u>	<u>535,634</u>

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2023	2022
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Demographic assumptions	-	53,148
Financial assumptions	(10,905)	(50,523)
Experience adjustment	(21,158)	34,911
Total	<u>(32,063)</u>	<u>37,536</u>

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Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2023	2022
		(%)
Discount rate *	3.39 - 3.49	2.92 - 3.02
Salary increase rate	1.39 - 8.00	0.63 - 7.00
Employee turnover rate **	2.00 - 8.00	2.00 - 8.00
Mortality rate ***	100.00 of TMO 2017	100.00 of TMO 2017

* Market yields on government's bonds for legal severance payments plan

** Upon the length of service

*** Reference from TMO2017: Thai Mortality Ordinary Table 2017

As at 31 December 2023, the Company has the weighted-average duration for payment of long-term employee benefits approximately 15 years (2022: 14 years).

Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December

	Increase (decrease)	
	2023	2022
	(in thousand Baht)	
Discount rate		
0.5% increase	(26,730)	(27,247)
0.5% decrease	29,047	29,503
Salary increase rate		
1.0% increase	59,208	58,679
1.0% decrease	(51,189)	(51,154)
Employee turnover rate		
10.0% increase	(11,802)	(11,741)
10.0% decrease	12,192	12,106

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.

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16 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

17 Administrative expenses

	2023	2022
	<i>(in thousand Baht)</i>	
Salary, welfare and personnel expenses	1,868,912	1,858,357
Rent, depreciation and amortization expenses	149,050	126,166
Service expenses	147,860	138,709
IT fees	114,255	97,183
Research and development expenses	102,357	16,084
Professional and consultant fees	87,948	72,717
Others	207,332	157,495
Total	<u>2,677,714</u>	<u>2,466,711</u>

18 Employee benefit expenses

	2023	2022
	<i>(in thousand Baht)</i>	
Salaries and wages	1,439,432	1,464,713
Welfares and others	237,262	201,511
Contribution to defined contribution plans	117,800	118,121
Contribution to defined benefit plans	43,589	(6,661)
Total	<u>1,838,083</u>	<u>1,777,684</u>

The defined contribution plans comprise provident funds established by the Company for its employees. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 5% to 13% of the members’ basic salaries, depending on the length of employment.

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19 Income tax

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Income tax recognized in profit or loss</i>			
Current tax			
Current year		-	10,228
Over provided in prior years		(8,137)	-
		<u>(8,137)</u>	<u>10,228</u>
Deferred tax			
Movements in temporary differences	12	(73,053)	(4,149)
Total		<u>(81,190)</u>	<u>6,079</u>
<i>Income tax recognized in other comprehensive income</i>			
Gains (losses) on remeasurement of defined benefit plans		<u>6,741</u>	<u>(7,507)</u>
<i>Reconciliation of effective tax rate</i>			
		2023	2022
	Rate	<i>(in thousand</i>	<i>Rate</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(in thousand</i>
		<i>(%)</i>	<i>Baht)</i>
Profit before income tax expense		2,470,874	3,439,929
Income tax using the Thai corporation tax rate	20	494,175	687,986
Income not subject to tax		(548,712)	(571,634)
Expenses deductible at a greater amount		(16,440)	(11,555)
Expenses not deductible for tax purposes and others		7,526	15,561
Tax losses increase (decrease)		63,451	(110,130)
Current tax		-	10,228
Over provided in prior years		(8,137)	-
Movement in temporary differences		(73,053)	(4,149)
Income tax expense (benefit)	-	<u>(81,190)</u>	<u>6,079</u>

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20 Dividends

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2023				
Annual dividend 2022	28 March 2023	24 April 2023	0.35	1,502
Interim dividend 2023	25 July 2023	22 August 2023	0.25	1,073
Total			0.60	2,575
2022				
Annual dividend 2021	29 March 2022	25 April 2022	0.40	1,717
Interim dividend 2022	26 July 2022	24 August 2022	0.25	1,073
Total			0.65	2,790

21 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Total	Fair Value Level 2
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost (in thousand Baht)		
Balance at 31 December 2023					
Financial assets					
Cash and cash equivalents	-	-	1,202,322	1,202,322	
Short-term investments	5,051,900	-	-	5,051,900	5,051,900
Loans to related parties	-	-	35,201,275	35,201,275	
Total financial assets	5,051,900	-	36,403,597	41,455,497	
Financial liabilities					
Borrowings from financial institutions	-	-	10,125,505	10,125,505	
Borrowings from related parties	-	-	203,399	203,399	
Lease liabilities	-	-	122,580	122,580	
Debentures	-	-	15,490,694	15,490,694	15,557,927
Total financial liabilities	-	-	25,942,178	25,942,178	

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	Fair value through profit or loss	Carrying amount		Total	Fair Value Level 2
		Fair value through other comprehensive income	Amortized cost		
<i>(in thousand Baht)</i>					
Balance at 31 December 2022					
Financial assets					
Cash and cash equivalents	-	-	4,890,048	4,890,048	
Loans to related parties	-	-	40,387,271	40,387,271	
Total financial assets	<u>-</u>	<u>-</u>	<u>45,277,319</u>	<u>45,277,319</u>	
Financial liabilities					
Borrowings from financial institutions	-	-	12,932,551	12,932,551	
Borrowings from related parties	-	-	120,736	120,736	
Lease liabilities	-	-	155,154	155,154	
Debentures	-	-	15,484,603	15,484,603	15,681,197
Total financial liabilities	<u>-</u>	<u>-</u>	<u>28,693,044</u>	<u>28,693,044</u>	

In the first quarter of 2023, the Company invested in a mutual fund with an asset management company amounting to Baht 5,000 million which is measured at FVTPL with an average return of approximately 1.7% per year and holding period of approximately 1 year.

Financial instruments measured at fair value

The Company determined Level 2 fair values for investment in mutual fund which is simple over-the-counter securities were based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar financial instrument at the measurement date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate.

Financial instruments measured at amortized cost

The Company determined Level 2 fair values for debentures based on quoted selling price from the Thai Bond Market Association at the closing price on the end of the reporting period.

(b) Financial risk management policies

Risk management framework

The Company's management 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 management monitors financial status and reports regularly to the Company's Management Committee.

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(1) Credit risk

Credit risk is the risk of Company's financial loss if a customer or a financial counterparty fails to meet its contractual obligations.

(1.1) Cash and cash equivalent

The Company's credit risk arising from cash and cash equivalents 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.

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 (in thousand Baht)	After 5 years	Total
2023					
Short-term borrowings from related parties	1.00	203,399	-	-	203,399
Long-term borrowings from financial institutions	1.72 - 3.20	4,999,030	5,126,475	-	10,125,505
Finance lease liabilities	2.02 - 3.84	60,142	56,920	14,969	132,031
Debentures	2.65 - 3.50	5,497,816	9,992,878	-	15,490,694
Total		10,760,387	15,176,273	14,969	25,951,629
Less Deferred interest expense - finance lease liabilities					(9,451)
Net					25,942,178

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	Effective interest rates (%p.a.)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2022					
Short-term borrowings from financial institutions	1.40	2,940,000	-	-	2,940,000
Short-term borrowings from related parties	0.30	120,736	-	-	120,736
Long-term borrowings from financial institutions	1.72 - 2.25	-	9,992,551	-	9,992,551
Finance lease liabilities	2.02 - 3.84	64,883	84,951	16,329	166,163
Debentures	2.65 - 3.50	-	15,484,603	-	15,484,603
Total		3,125,619	25,562,105	16,329	28,704,053
Less Deferred interest expense - finance lease liabilities					(11,009)
Net					28,693,044

(3) Market risk

The Company has to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(3.1) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

The Company has foreign exchange risk arises from the fluctuation of foreign exchange rate from purchases, sales, payment of machines and equipment and other receipt and payment which are denominated in foreign currencies. The Company manage that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the end of the reporting period also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at 31 December, the Company has significant foreign currency risk from foreign currency assets and liabilities are as follows:

	US Dollars	Others (in thousand Baht)	Total
2023			
Other receivables	5,994	-	5,994
Other payables	(72,950)	(752)	(73,702)
Net statement of financial position exposure	(66,956)	(752)	(67,708)

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	US Dollars	Others <i>(in thousand Baht)</i>	Total
2022			
Other payables	<u>(2,752)</u>	<u>(1,481)</u>	<u>(4,233)</u>
Net statement of financial position exposure	<u>(2,752)</u>	<u>(1,481)</u>	<u>(4,233)</u>

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</i>	Movement (%)	Strengthening <i>(in thousand Baht)</i>	Weakening
2023			
US Dollars	1	669	(669)
Other	1	7	(7)
2022			
US Dollars	1	27	(27)
Other	1	15	(15)

(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>	2023	2022
	<i>(in thousand Baht)</i>	
Financial instruments with variable interest rates		
Financial assets	35,201,275	40,387,271
Financial liabilities	<u>(333,217)</u>	<u>(3,060,736)</u>
Net statement of financial position exposure	<u>34,868,058</u>	<u>37,326,535</u>

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.

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<i>Impact to profit or loss</i>	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
2023		
Financial instruments with variable interest rate	348,681	(348,681)
Cash flow sensitivity	348,681	(348,681)
2022		
Financial instruments with variable interest rate	373,265	(373,265)
Cash flow sensitivity	373,265	(373,265)

22 Capital management

The management of the Company has a capital management policy with the objective to maintain a strong capital base by emphasizing on planning and determining operating strategies that will ensure a sustainable business performance and cash flow management. In addition, the Company also considers to have a strong financial foundation. Therefore, the Company have considered in investing in projects that have good rate of return, maintaining appropriate working capital, as well as having a sufficient cash reserves and an appropriate investment structure to have a firm operating business in the future and maintain the confidence of shareholders, investors, creditors, and other stakeholders.

23 Events after the reporting period

At the Board of Directors' Meeting of the Company held on 23 January 2024, the directors approved the following matters:

- (a) To submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2023 at the rate of Baht 0.55 per share, totaling approximately Baht 2,361 million. An interim dividend of Baht 0.25 per share was paid on 22 August 2023, as disclosed in note 20. The final dividend will be at the rate of Baht 0.30 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 1,288 million and is scheduled for payment on 22 April 2024. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 26 March 2024.
- (b) To issue the debenture No. 1/2024 on 1 April 2024, with an offer value not exceeding Baht 5,000 million and there are reserve debentures for additional offers with a value not exceeding Baht 100 million. Term of the new debenture is 3 years and 8 months with fixed interest rate at 3.40% per annum, and due for redemption on 1 December 2027. The objective is for investment and/or working capital for business operations.

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24 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 2024 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. Except for TAS 12 Income Taxes, the Company is in the process of assessing the impact of the minimum top-up tax in the countries where the Company's investment operates.



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