

Corporate Governance



Targets

Performance in 2023

Corporate Governance

- Zero violations of the anti-corruption policy
- 100% of employees learn and test ethics through Ethics e-Testing

0 cases

100%

Information Technology Security and Cybersecurity

- Information systems operate continuously at no less than 99.5% availability or have issues for no more than 1.83 days per year.
- No complaints on customer data breach.

99.5%

0 cases

Corporate Governance

SCGP places great importance on conducting business transparently and ethically to build trust among all stakeholders. SCGP continually raises awareness among employees at all levels, both in domestic and international operations, by promoting adherence to SCGP's morals, philosophies, code of conduct, and anti-corruption policies. It also encourages suppliers to adopt good corporate governance practices that align with SCGP's policies.

Strategies

- Communicate with and support employees and suppliers to understand, be aware of, and seriously comply with SCGP's corporate governance, SCGP Code of Conduct, and SCG Supplier Code of Conduct.
- Assess and monitor risks related to anti-corruption through a preventative system, which includes ethics testing, risk management, three-level internal control by the unit, and an accessible complaint system for stakeholders.

Targets

Performance in 2023

Sustainable Value Towards Suppliers

- 100% of procurement value from suppliers with a commitment to comply with the SCGP Supplier Code of Conduct.
- 100% of the supplier in procurement value passed the annual Environmental, Social, and Governance (ESG) risk assessment.
- 100% of operation contractors are certified SCG Contractor Safety Certification System (SCS).
- 100% of transportation contractors are certified as main logistics partners.

100%

100%

99%

100%

Ethics Education and Testing for Employees

In 2023, SCGP conducted Ethics e-Testing for employees, a practice that has continued for the 9th consecutive year. 100% of the employees passed the test, and SCGP analyzed the test responses to address key issues to ensure employees understand correctly. Additionally, the SCGP Code of Conduct was translated into Vietnamese to support business expansion in international markets.



Whistleblowing

SCGP has a complaint system that allows employees and external individuals to report misconduct. In 2023, the reported violations were as follows:

Report of Violations	The Total Number of Complaints			
	2020	2021	2022	2023
Total Complaints ⁽¹⁾	11	8	6	15
Investigated and Completed Complaints	11 (including 1 complaint from 2019)	7	5	12
Number of Complains Under Investigation	0	1	1	3
Classification of Complaints				
1. Unethical or Improper Conduct	0	1	0	0
1.1 Conflict of Interest ⁽²⁾	0	0	0	2
1.2 Corruption	0	0	0	0
1.3 Violation of Human Rights	0	0	0	0
1.3.1 Sexual Harrasment	0	0	0	1
1.3.2 Non-Sexual Harrasment	0	0	0	0
1.3.3 Discrimination	0	0	0	0
1.4 Antitrust	0	0	0	0
1.5 Personal Data Protection	0	0	0	0
1.6 Use of Insider Information	0	0	0	0
1.7 Others	0	0	0	0
2. Non-Compliance with Company Regulations	1	2	1	4
3. Unsubstantiated Complaints	10	4	4	5

Remark

(1) There was no public legal case during 2020-2023.

(2) This is inclusive of Conflict of Interest with business partners.

Information Security and Cybersecurity

SCGP prioritizes supervising information security and cybersecurity to prevent cyber threats and ensure comprehensive legal protection of personal data. In 2023, a Cybersecurity Governance Committee was established to direct effective and secure management practices.

Strategies

- Integrate information and cybersecurity risks into the organization's overall risk management, continuously adjusting operational strategies to promptly and effectively address evolving cyber threats.
- Establish IT security management processes aligned with information technology security policies.
- Enhance employee awareness and understanding at all levels through training, ensuring appropriate responses to cyber threats.
- Assess the business partners to ensure its compliance with the requirements

e-Policy Testing

e-Policy testing training and testing of employees regarding information security and cybersecurity were conducted, requiring all employees to answer correctly. The test achieved a 100% success rate among participants.

ISO/IEC 27001:2013 Standard

In 2023, SCGP received the ISO/IEC 27001:2013 certification, a standard for Information Security Management Systems, from the British Standards Institution (BSI), a globally recognized standardization body.

Sustainable Value Towards Suppliers

Business partners throughout SCGP's supply chain play a crucial role in fostering economic growth and shared responsibility for the environment and society. Therefore, SCGP prioritizes the selection of capable suppliers and assesses their operations, covering environmental, social, and governance (ESG) aspects, and fosters collaboration for mutual sustainable growth.

Strategies

- Select and assess potential suppliers for sustainable operation.
- Evaluate risks and categorize suppliers to define strategies and plan business development in line with associated risks.
- Conduct assessments to ensure suppliers comply with requirements.
- Develop and enhance the capabilities of suppliers towards sustainability.
- Raise awareness and build employees' skills in efficient procurement and purchasing.

Improvement of Suppliers' Work Quality

SCGP is committed to elevating local suppliers by encouraging them to initiate projects to improve and develop their operations, with SCGP supporting training and knowledge. Examples of such projects include the collection of residual refrigerants in containers for reuse and a communication campaign on behaviors posing safety risks.

Preparation and Response to Cyber Threats

- Conducted one training session on Mobile Device Security Awareness.
- Organized Email Phishing tests for employees and Spear Phishing tests for targeted employee groups twice.
- Simulated scenarios of cyber-attack threats and personal data breach situations twice.
- Created internal company documents to raise awareness about the risks of cyber extortion and protection against ransomware attacks.

Utilization of EV Clamp Forklifts Powered by Electricity

To reduce greenhouse gas emissions, SCGP collaborated with suppliers to transition to EV clamp forklifts at Khon Kaen Paper Baling Station, replacing diesel fuel forklifts. After initiating studies in 2021, the transition began in 2023. Currently, five paper baling plants have adopted EV clamp forklifts, including those in Phetchaburi, Rangsit, Rayong, Phan Thong, and Bowin. Future plans include expanding this initiative to other plants.



Promoting ESG Understanding and Collaboration with Suppliers

SCGP organized the SCGP Supplier Day 2023 to communicate and jointly address global issues according to the ESG 4 Plus approach and the revised Supplier Code of Conduct, which now includes important issues such as environmental concerns and climate change response. The event facilitated the exchange of ideas to develop collaboration, held in Bangkok and at various provincial plants, with a total participation of 400 suppliers (598 individuals).

Moving Towards Greenhouse Gas Management (GHG Scope 3)

SCGP conducted online training for 10 high-potential suppliers to raise awareness of climate change response. Following this, suppliers interested in reducing greenhouse gas emissions were selected for training on CFO and CFP registration processes per the procedures of the Greenhouse Gas Management Organization (Public Organization), or TGO. Two businesses, Thai Wah Public Company Limited and Golden Lime Public Company Limited, showed interest in this training. Plans are underway to expand this training to other suppliers.

Collaborative Network: Fostering Power Towards Sustainability



ESG Symposium 2023: Accelerating Changes towards a Low Carbon Society

SCGP played a principal role in organizing the pre-session titled "Circular Economy Acceleration" at the ESG Symposium 2023, hosted by SCG, inviting over 231 partners to participate to exchange their thoughts for contributing to the drive of ESG approaches at a national level. This led to three key conclusions:

1. The proposal "Accelerating Thailand Towards a Low Carbon Society" was presented to the Prime Minister.
2. A summary of four strategic directions under the theme "Accelerating Thailand Towards a Low Carbon Society".
3. A Mind Map of ESG Symposium 2023.



MCOT Cares: 'Paper-Cycle Sort, Exchange, Renew' Project in Collaboration with MCOT



SCGP, in collaboration with MCOT, has initiated a project to educate and promote the sorting of used paper among MCOT employees for exchange with new paper. In this effort, SCGP recycled three types of office waste paper: black and white paper, brown box paper, and mixed paper. In 2023, the project successfully collected a total of 1,340 kilograms of paper for recycling, which was exchanged for 30 reams of new paper. This initiative also expanded SCGP Recycle's sustainability partners by instilling the habit of sorting waste materials at the source among consumers, in line with circular economy principles.

“MCOT aims to encourage employees to become more environmentally conscious by adjusting their everyday behaviors. Therefore, we collaborated with SCGP to recycle used paper, which led to increased understanding of sustainability among employees and management members. Furthermore, MCOT is looking forward to extending our collaboration with SCGP, such as co-producing souvenirs from recycled materials and managing waste within the organization.”

Natthamon Termvorakul,
Manager of Social Enterprise Affairs,
MCOT Public Company Limited.



SCGP Collaboration with the 9th Infantry Division to Develop S.E.R.T Team

Recognizing the importance of disaster relief collaboration between the state and citizens, SCGP partnered with the 9th Infantry Division to provide training that enhances the skills of 80 members of the S.E.R.T (Special Emergency Response Team) SCGP team. The training is designed to effectively handle emergencies and accidents affecting the plant and the surrounding communities. This includes responding to public disasters such as fires, lifesaving and rescue operations, particularly addressing new hazards emerging in the post-COVID-19 era, such as electric vehicle (EV) and solar cell accidents. This initiative has been ongoing for 10 years.

The Emergency Response Team (S.E.R.T) of Wang Sala Plant deserves commendation for their successful efforts in wildfire extinguishing and creating firebreaks in the community forest in Ban Khao Sung. Their utilization of techniques and drone technology, in collaboration with the provincial authorities, aims to minimize losses to the community and society while contributing to long-term sustainability.



GCNT Forum 2023: "Partnership for Human Capital 5.0 towards Sustainable Intenigence- Based Society"

SCGP participated in the UN Global Compact Network Thailand Forum (GCNT Forum) 2023, organized by UN Global Compact Network Thailand and the United Nations in Thailand. SCGP contributed to the discussion on "Building Supply Chain Resilience" and declared its commitment as a member to protect the interests of the younger generation and business organizations. The focus is on supporting a just transition and developing an ecosystem conducive to equality and equity, as well as evolving grassroots economics and social security systems in line with global changes.