

Corporate Governance



SCGP is committed to conducting its businesses in an efficient, transparent, accountable, and fair manner. Thus, the company promotes a governance culture aimed at building activities trust among all stakeholders with a strong focus on the SCGP Code of Conduct and the Anti-Corruption Policy. Additionally, SCGP prioritizes collaboration with suppliers to ensure compliance with its sustainable governance practices.

Targets	Performance in 2024
Corporate Governance <ul style="list-style-type: none"> Zero violations of the Anti-Corruption Policy 100% of employees learn and complete Ethics e-Testing 	0 violation 100%
Information Technology Security and Cybersecurity <ul style="list-style-type: none"> Information systems operate continuously at no less than 99.5% availability or no more than 1.83 days of shutdown per year No complaints on customer data breach 	99.5% 0 complaint
Sustainable Value Towards Suppliers <ul style="list-style-type: none"> 100% of suppliers in procurement value committed to comply with the SCGP Supplier Code of Conduct 100% of suppliers in procurement value passed the annual Environmental, Social, and Governance (ESG) risk assessment 100% of operation contractors are certified by SCG Contractor Safety Certification System (SCS) 100% of transportation contractors certified as main logistics partners 	100% 100% 95.5% 100%
Sustainable Products and Services <ul style="list-style-type: none"> Sales revenue from SCG Green Choice products, services, and solutions \geq 66.7% of the total sales revenue by 2030 Sales revenue from SCG Green Choice products, services, and solutions that provide direct benefits to customers \geq 33.3% of the total sales revenue by 2030 100% of SCGP's subsidiaries must comply with the requirements of REACH Regulation (Annex XVII and Substances of Very High Concern (SVHC) for Authorization) No complaints on non-compliance with laws and product safety 	59% 2% 100% 0 case

Corporate Governance

Strategies

- Communicate with and support employees and suppliers to ensure understanding, awareness and stringent compliance with SCGP's corporate governance, the SCGP Code of Conduct, and the SCG Supplier Code of Conduct.
- Assess and monitor risks related to anti-corruption through a preventative system, that includes ethics testing, risk management, three levels of internal control by the unit, and an accessible complaint system for stakeholders.

Ethics Education and Testing for Employees

SCGP has implemented Ethics e-Testing for 10 consecutive years, achieving a 100% participation rate among all Thai employees who study and pass the annual Ethics test. The aim of Ethics e-Testing is to ensure employees' understanding of and compliance with the SCGP Code of Conduct. In 2024, the company expanded Ethics e-Testing to include overseas employees in selected countries. Additionally, the SCGP Code of Conduct is now available in Indonesian and Vietnamese to support SCGP's overseas business expansion.

Whistleblowing

SCGP has established a whistleblowing system that is accessible to both employees and external individuals for reporting misconduct. In 2024, SCGP received 12 complaints, which were categorized as follows:

Complaints	Total Number of Complaints			
	2021	2022	2023	2024
Total Complaints ⁽¹⁾	8	6	15	12
Carried-Forward Complaints from the Previous Year	0	1	2	5
Investigated and Completed Complaints	7	5	12	10
Complaints Under Investigation	1	2	5	7
Classification of Complaints				
1. Unethical or Improper Conduct	1	0	0	0
1.1 Conflict of interest ⁽²⁾	0	0	0	1
1.2 Corruption	0	0	0	0
1.3 Violation of Human Rights	0	0	0	0
1.3.1 Sexual Harassment	0	0	1	0
1.3.2 Non-Sexual Harassment	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	2	1	4	5
3. Unsubstantiated Complaints	4	4	5	4

Remarks

⁽¹⁾ There was no public legal case during 2020-2024.

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

Information Technology Security and Cybersecurity

Data Security and Cybersecurity in 2024

SCGP has continuously enhanced its cybersecurity action plan to support data security management and personal data protection requirements, demonstrating its capabilities to mitigate evolving cyber threats.

Strategies

- Integrate information and cybersecurity risks into the organization's overall risk management, continuously adjusting operational strategies to promptly and effectively address emerging cyber threats.
- Establish IT security management processes that align 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 compliance with required security standards.

Training and Testing of Cyberthreat Response Plans in 2024

SCGP has completed its e-Policy testing, conducting emergency response drills that simulate phishing attacks and other forms of cyberattacks. The company has also organized cybersecurity training and testing to ensure readiness and resilience against potential cyber threats.

Certifications

• ISO/IEC 27001 Certification

SCGP continuously improved its Information Security Management System and has been certified in accordance with ISO/IEC 27001:2022 (the latest version), a globally recognized information security management standard from the British Standards Institution (BSI).

Sustainable Value Towards Suppliers

Recognizing the significant impact of climate change, SCGP is committed to managing and reducing greenhouse gas (GHG) emissions; fostering robust relationships with business partners and stakeholders to establish a sustainable supply chain; collaborating with suppliers to reduce Scope 3 GHG emission; and promoting both economic growth and environmental stewardship.

Strategies

- Select and assess potential suppliers based on their commitment to sustainable operations.
- Evaluate risks and categorize suppliers to devise strategies and plan business development in alignment with associated ESG risks.
- Conduct assessments to ensure that suppliers meet established compliance requirements.
- Develop and enhance suppliers capabilities towards sustainability.
- Raise awareness and build employees' skills in efficient procurement and purchasing practices.



Transitioned to EV forklifts, Siam Kraft Industry Co., Ltd.

Sustainability Management

1. Compliance with Sustainability Requirements

SCGP is resolute in ensuring all that suppliers adhere to the Supplier Code of Conduct. To provide assurance to all stakeholder groups, the company continuously raise awareness among employees at all levels, both in Thailand and abroad, so they understand and comply with ethics standards, the SCGP Code of Conduct and the Anti-Corruption Policy. Furthermore, SCGP encourages its suppliers to promote corporate governance in alignment with its policy.

In its commitment to respecting human rights, SCGP has implemented a Diversity Management Policy. The company has educated its suppliers about workplace diversity and encouraged them to uphold practices of equality and inclusion in their operations. A total of 19 suppliers have actively participated in the company's initiatives in this area.

Additionally, SCGP motivated its local suppliers to enhance their operational efficiency. Specifically, regarding to diversity, the company has advocated for the hiring of women and persons with disabilities among suppliers in contract work and service group. As a result, the number of female and disabled workers has increased by 630.

2. Collaborative Push toward a Low Carbon Society

SCGP emphasizes the importance of collaborations with suppliers who are dedicated to sustainability. The company actively communicates and shares information regarding GHG emissions and strategic plans with its suppliers. Carbon Footprint of Product (CFP) and Carbon Footprint for Organization (CFO) are considered for the calculation of SCGP's GHG Scope 3 emissions. This also provides assurances that suppliers' operations align with SCGP's sustainability targets.

• Transition to Electric Vehicles (EV)

In partnership with its suppliers, SCGP has adapted EV forklifts since 2023, as part of its transition started shifting away from diesel/LNG-fueled vehicles. As of 2023, 59% of forklifts utilized by SCGP's Warehouse and Raw Material Group are EV. The company aims to increase the percentage to 81 by 2025. Moreover, SCGP has deployed seven EV trailers. In collaboration with SCGJWD Logistics, plans to raise the number of electric trucks for the transportation of ready-to-use paper packaging by 80 between 2025 and 2027.

• Collaborations on GHG Emission Reduction

- SCGP hosted the Sustainable Synergy for Decarbonization forum to foster collaborations among manufacturers, SMEs, and financial institutions within the packaging industry's value chain. This forum provided platform for participants to exchange insights, tackle challenges and establish operational guidelines on GHG emission reduction and sustainable practices based on ESG principles. Attracting an applicable, Sustainable Synergy for Decarbonization, sought to create learning environment, enhance competitiveness, and reinforce commitments to sustainability. Two key suppliers Wise Logistics Public Company Limited and Chok Yuen Yong Industry Company Limited have taken significant strides in decarbonization:

Wise Logistics Public Company Limited has developed new transportation routes to deploy low sulfur-fueled boats and has begun the installation of solar cells to power operations and EVs.

Chok Yuen Yong Industry Company Limited, which specializing in tapioca production has efficiently recycled its wastewater to produce biogas generating electricity for its plant. Moreover, the company has installed a 5 MW solar farm, which contribute to 20% of its total electricity consumption. Chok Yuen Yong aims to transition to 100% renewable energy for its operations and plan to invest in systems that will enhance its biogas production capacity as well as to implement floating solar cells.

- SCG hosted the ESG Symposium 2024 on September 30, 2024 at the Queen Sirikit's National Convention Center inviting its major suppliers to CEO Forum, a key session of the event. The invitations were intended to foster discussions on recommendations and collaboration guidelines for transforming Thailand into a low carbon society.
- SCGP is committed to reducing GHG emissions in collaboration with its suppliers. The company has categorized its suppliers into three groups: Strategic Suppliers, High-Impact Suppliers and Transactional Suppliers, based on their GHG emission and readiness to reduce GHG. SCGP concentrated on operations involving high-carbon products, specifically pulp and tapioca starch, identifying 12 strategic suppliers within the category. The suppliers have already begun their journey towards decarbonization, and SCGP primarily requests Carbon Footprint of Products

(CFP) data to calculate the Emission Factor pertinent to its product and operations. Together, SCGP and these strategic suppliers are committed to achieving GHG emission reductions.

In the high-impact suppliers category, there are 11 suppliers who intend to develop a GHG Scope 3 plan but currently have limited knowledge. Recognizing this road, SCGP aims to educate them on climate change and GHG emission reduction within the supply chain by providing essential information and guidelines. This information, sharing not only strengthens SCGP's relationships with but also collaboration to mitigate climate-change impacts.

- Capability Building:** SCGP is committed to enhancing the capabilities of its suppliers, particularly local one. SCGP encourage by these suppliers formulate their own development plans and support then trough training and knowledge sharing initiatives. Additionally, SCGP recognize and reward suppliers for maintaining safe practices.

3. Employee Training

- SCGP builds awareness of sustainable procurement and GHG management among procurement staff, empowering them to play a crucial role in driving SCGP's strategies to continuously improve procurement efficiency. All procurement staff must undergo annual training on the Procurement Framework and GHG Scope 3.
- SCGP conducts refresher training in GHG for 112 procurement employees to enhance their understanding of climate change management and carbon footprint of products.
- In alignment with the Ministry of Industry's Announcement on the Management of Waste or Unused Materials BE 2566 (2023), which came into effect in November 2023, SCGP organized a training session for relevant suppliers on 25 June 2024 to assist them in achieving compliance. A total of 29 waste management service providers attended this training session.



A training session on industrial waste regulations and management best practices was organized by SCGP, June 2024.

Sustainable Products and Services

SCGP is committed to meeting consumer needs by developing eco-friendly products, services, and solutions, and by reducing greenhouse gas emissions through comprehensive life cycle impact assessments. To achieve these objectives, the company has established the following goals:

- **Increasing Sustainable Packaging Innovations:** SCGP aims to introduce more sustainable products and services, focusing on recyclable, reusable, or compostable packaging that adheres to Circular Economy principles.
- **Continuous Research and Development (R&D) for Sustainable Packaging:** SCGP consistently invests in environmentally friendly packaging innovations to support its goal of becoming a leader in sustainable packaging solutions.

Strategies

- **Promote innovative approaches:** SCGP emphasizes the development of products, services, and solutions that align with consumer needs, enhance well-being, and address climate change, as well as environmental and health impacts. Utilizing circular economy principles, the company seeks to create business opportunities while prioritizing sustainability.
- **Evaluate environmental impact and safety:** The company considers environmental impact and safety products, services, and solutions throughout their life cycle and promoting certified and green-labeled products aligned with sustainability guidelines.
- **Foster Business Process Development:** SCGP is dedicated to advancing business processes across the value chain to international standards, thereby raising awareness among stakeholders about the use of environmentally friendly products use.

- In collaboration with Jorakay Corporation Company Limited, SCGP launched “Jorakay Green Pack” an innovative eco-friendly tile adhesive packaging. This packaging is produced from recycled extensible kraft paper, with 70% of its content made of recycled materials. The thickness of the Polyethylene (PE) has been reduced by over 60% resulting in a reduction of lowering carbon emissions during the production process by up to 49%.
- **Eco-fiber in glassine paper:** Glassine paper plays a critical role in the packaging industry, primarily serving as backing paper for stickers. Its key characteristics include smoothness, glossiness, transparency, suitability for silicone coating, ease of peel-off, strength, moisture resistance, cleanliness, and prevention of barcode reading errors. Traditionally, the production of glassine paper relies solely on virgin pulp. However, SCGP has successfully researched and developed a method to incorporate eco-fiber pulp at a 10% ratio, significantly enhancing the sustainability of this product.



Eco-fiber in glassine paper.

- “Clixpak” is an innovative beverage can packaging solution designed for easy handling with one hand. Made from recycled paper, this strong multi-unit holder not only features aesthetically pleasing printed patterns but is also fully recyclable after use. Leveraging SCGP’s expertise in paper manufacturing and packaging design, Clixpak is sturdily constructed to withstand weight, even though it is made from just a single sheet of paper.



‘Clixpak’ is a recyclable and sustainable can packaging solution.



- Prepack Thailand Co., Ltd. has developed “Paper Ready Pack” from heat-sealable paper materials. That are 100% recyclable and compostable. This eco-friendly packaging solution utilizes innovative technology, such as the VOC-free EB Offset Printing System, which aids in reducing carbon emissions while ensuring high-quality printing output.



Paper Ready Pack – Heat-sealable paper packaging.

Certified Green Products, Services, and Solutions in 2024



97

products with
a Carbon
Footprint
of Circular
Economy
Products Label



161

products with
a Carbon
Footprint of
Product Label



38

products with
a Carbon
Footprint
Reduction
Label



80

products with
the Green
Choice Label



19

products with
the Green
Label, Type 1
Environmental
Label



5

products with
Circular Mark

Promoting Carbon Footprint of Product (CFP) Registration

The Carbon Footprint of Product (CFP) reflects SCGP's sustainability efforts, by estimating carbon emission throughout the life cycle of its products and services. This metric enables SCGP to effectively manage GHG emissions in alignment with environmental standards.

Currently, 161 of SCGP's products have received Carbon Footprint of Products (CFP) certifications from the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO. Each certified product displays its GHG emission data, categorized as follows:



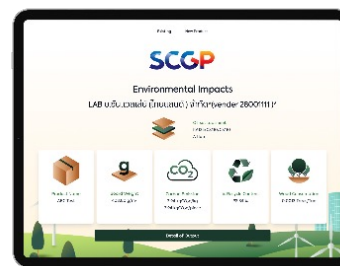
- Number of products certified using the Cradle-to-Grave method such as copy paper and food grade packaging (Fest): **19**



- Number of products certified using the Cradle-to-Gate method including pulp and paper, paper packaging and performance packaging (both rigid and flexible): **126**



- Number of certified production, printing and molding processes covering all groups of fiber-based packaging products: **16**



SCGP-issued Private Declaration Label certifying the carbon footprint of products.

SCGP is committed to disclosing the carbon footprint of 100% of its fiber-based products by 2025.

This initiative will enable SCGP customers to easily incorporate CFP into their total GHG emissions calculations. Moreover, SCGP has developed its own carbon footprint label or Private Declaration Label, to reflect the GHG emissions of its packaging. The company has also created “carbon footprint software” and issued GHG-emission certifications to assist its customers in their sustainability effort. Through these initiatives, SCGP is reinforcing its commitment to sustainability and empowering its customers to make informed decisions that contribute to a low carbon society.