



#### **Message from Chief Executive Officer**

In 2020, the world and Thailand witnessed the COVID-19 Coronavirus epidemic, which greatly affected daily lives and business operations throughout all industries. Both public and private organizations quickly and jointly adopted measures to cope with these rapid changes. Despite the volatile situation, SCGP remains strictly committed to move forward and conduct business to meet the established **"Sustainable Development Goals"**.

Business strategies and directions were established to balance the three aspects; 1) economic, 2) society, and 3) environment, with the aim **"To be the leading regional integrated packaging solutions provider"**. We also emphasize the upcoming trends for responding and adapting to the situation changes in the consumer and social behavior.

Managing the risks from climate change, we focus on reducing energy consumption and greenhouse gas emissions by improving energy efficiency in the production process, increasing the proportion of renewable and alternative energy usage, as well as restoring the forest areas in both factory and community to expand the natural carbon dioxide storage.

Adopting the integrated water management by using WRI's AQUEDUCT Water Risk Atlas for assessing the **"Water Stress Area"**, we closely monitor and analyze the water situation and tendency in Thailand by tracking data from the Royal Irrigation Department about the consumers and industrial water usage; therefore, we can formulate a prevention and mitigation plan then distribute a certain amount of treated wastewater to the agricultural area around the factory. As a result, we can reduce the cost and help the farmers in the vicinity to raise their household incomes.

Promoting the organization to be injury and illness free in the workplace, we first start with building safety awareness to all employees and stakeholders and keep them bear in mind the organizational safety-conscious culture of concerning for our own safety so-called "**Care for Self**". We also incorporate technology to ensure safety at both workplace, during transportation, during the use of equipment, and ensuring health guidelines of employees and contractors are followed.

To drive business growth, in accordance to the complete value chain of the circular economy concept, the first element which we emphasize is the product and service designed functions optimizes increased quality while utilizing less resources. From here, we are able to decrease energy usage, while increasing the use of renewable and recyclable materials portion in the production process through innovations. With the right procedures for circulating resources entire the business; starting from production, consumption, waste management, reuse, and recycling ability, including the continued promotion of municipal waste management, collaborations with business partners both in the business and private sectors for increasing efficiency and building awareness, we can reach the consumer group for conducting waste management at source. Moreover, we expand the project so-called **"Ban Pong Model"** a model community of waste management according to the Community Development Goals to complete 183 communities in Ban Pong District, Ratchaburi Province by the year 2022.

SCGP pledges that we continue doing business for achieving sustainable development goals by joining forces with all sectors for readiness to cope with the changes arising all over the world and also maintain to deliver sustainable value to all stakeholders.

(Wichan Jitpukdee) Chief Executive Officer SCG Packaging Public Company Limited

## SCGP Sustainability Report 2020 Contents



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## **CORE VALUES OF SCGP**

SCGP remains committed to SCG's long-standing 4 ethical core values that are embedded in its business conducts in accordance with the principles of good governance, social responsibility and environment. The Company's Board of Directors, management, and staff at all levels have strictly complied with this business philosophy. SCGP is thus recognized as a leading, credible enterprise that conducts business with transparency, accountability, and fairness to all stakeholders.

#### Adherence to Fairness

It is the responsibility of SCGP to ensure that all group of stakeholders customers, shareholders, business associates, or employees are treated with integrity and equal fairness while they are doing business with us:

- We work honestly, transparently, and traceably.
- We treat every party with respect and sincerely without prejudice on a group, age, or institution.



#### Dedication to Excellence

SCGP is dedicated to right conduct and pursuits to achieving the best results in all we undertake.

- We put our utmost efforts, knowledge, and skills into creating better valuable business results.
- We strive to life-long learning for advancing in the business path of excellent growth and keep up with the global trends. And pursue overcoming obstacles and be ready to face the ever-changing situation for the best results for both SCG and all stakeholders.

# FOUR CORE VALUES OF

Adherence to Fairness. Dedication to Excellence. Belief in the Value of Individual. Concern for Social Responsibility.

# Belief in the Value of the Individual

SCGP highly values our staff and considers them the most important of all assets.

- We recruit the most ethical and capable individuals we can find. With proper training, they are able to cope with the challenges forthcoming. At the same time, employees are also provided with job security and a sense of belonging.
- We value teamwork, give care, and respect each other's ideas.

#### Concern for Social Responsibility

SCGP has a strong determination and behaves like a good corporate citizen in all communities and countries where we operate. We diligently perform our social duties and responsibilities while engaging in activities to preserve natural resources and sustainability of the environment with the following actions:

- We always bear in mind and strictly follow all safety standards, occupational health, and environmental regulation while working.
- We are conscious of using resources to create optimal values, and preserve nature at home and work and extend this practice to neighboring communities.
- We take part in natural preservation, community care, and social development activities.



#### Innovative Organizational Culture

With further efforts to create innovative business models, products, and services to meet the dynamic consumer requirements, and the betterment of society as a whole, SCGP strives towards the building of an innovative culture; "Open and Challenge".

#### **Open Our Minds and Respect the Differences**

- Open our minds, attentively listen to other opinions, and do not stick only to our own thoughts and beliefs.
- Eager to learn new things and dare to tell others what we really don't know.
- Collaborate and network both internal and external the organization.
- Be courageous to accept our mistakes and ready to learn for moving forward.

#### Challenge - Challenge Ourselves for the Betterment.

- Do not limit ourselves to past nor present success.
- Think out of the box. Never stop doing better things.
- Be assertive to express a different opinion and accept the conclusions after discussion.
- Be courageous to make decisions in a timely manner, and willing to take and manage risks.
- Ready to turn our thinking and learning into actions before being forced.



# Vision

SCGP

will be a leading regional packaging company offering solutions through innovative products & services and sustainable business practice.

## **Sustainable Development Goals**

SCGP establishes a business policy within the sustainability framework with a clear policy, practices, and guidelines for achieving the Sustainable Development Goals (SDGs). We also strive balancing a triple bottom lines; economic, environmental and social aspects. The ultimate goal is to enable businesses and stakeholders to achieve their expectations both in the short-term and long-term goals. These are encouraged by Improving efficiency throughout the supply chain, using energy efficiently, reducing waste emissions to create a better quality of life, in line with circular economy principles.

SCGP business operations are committed to achieving 13 Sustainable Development Goals-SDGs



#### Decent Work and Economic Growth:

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



#### Industry, Innovation and Infrastructure:

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



#### Sustainable Cities and Communities:

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



#### Responsible Consumption and Production: Ensure sustainable consumption

and production patterns.



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 age.



#### 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 Management and Sanitation:

Ensure the availability and sustainable management of water and sanitation for all.



**Climate Action:** 

Take urgent action to combat climate change and its impacts.



#### Life on Land:

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

16 PEACE JUSTICE AND STRONG INSTITUTIONS
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#### Peace, Justice and Strong Institutions:

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



#### Partnerships for the Goals:

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

Website: https://www.un.or.th/globalgoals/th/the-goals/

# **Business Overview**

SCGP is the leader in "Total Packaging Solutions Provider" with fully-integrated packaging chain across Southeast Asia. SCGP operates two main business chains, namely the Integrated Packaging Chain and the Fibrous Chain.

## **Nature of Business**

## INTEGRATED PACKAGING CHAIN



Comprises of a comprehensive and diversified portfolio of more than 120,000 SKUs in the Integrated

Packaging Business chain to serve customer demand and high-growth businesses. Also, SCGP Inspired Solutions Studio has provided unique services; packaging design and packaging innovation responding to various customers' specific needs.

#### **Corrugated Containers**

Comprises of a wide range of functions, protecting goods inside from being damaged during transportation, and identifying details of products containing inside to communicate with customers for counterfeit protection.

#### Retail Display Packaging

Packaging for product display at the Point-of-Purchase, with its Shelf-ready and Retail-Ready features for promoting seasonal sales with its property for product protection during transportation.

#### Flexible Packaging

Extend the product shelf life with low lightweight for ease of transportation.

#### **Rigid Packaging**

For enhancing products displayed on the shelf with ease of handling and carry on. It is also easily recycled.

#### Packaging Paper

Comprises 2 types of products; Packaging paper and Paper Products including Laminate rolls, paper sheets, paper rolls, high-pressure laminate and cooling honeycomb panels, etc.









#### **FIBROUS CHAIN**

Comprises of safe and environmentally-friendly food packaging under the Fest brand.



These products are designed with aesthetics and functionalities suitable for consumer use. Other products includes numerous types of pulp products such as Printing & Writing Paper, and industrial paper.



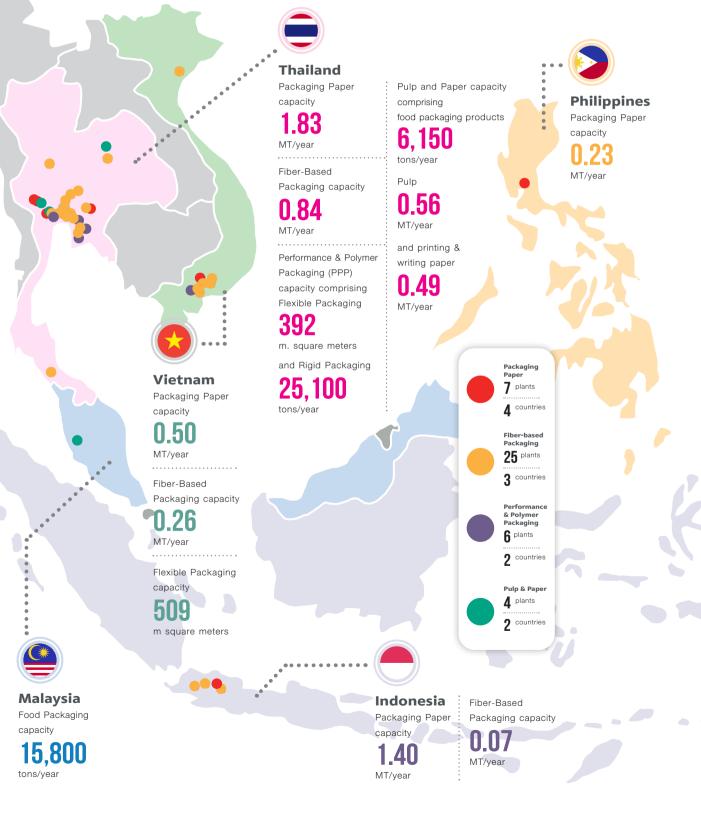


# Location of Business Operation According to the Geographical Area

SCGP expanded its business operations across ASEAN in 2020 to the current 42 manufacturing facilities in five ASEAN countries; Thailand, Vietnam, Indonesia, the Philippines, and Malaysia.

Geographically advantage, operations covering many countries promote a fully integrated business model, from upstream to downstream. We can strengthen the business performance resulting in high synergy within a group of SCGP companies such as securing raw materials with lower prices and higher quality, sharing resources, and exchanging knowledge and technical expertise.

Above all, with the development of a regional raw material - purchasing platform, we can lower the purchasing costs, in addition to SCGP's policy to operate sustainably in all countries it operates.





# Innovation for Sustainability

SCGP focuses on market backed research and innovation to deliver packaging solutions to serve its diverse customers' needs, while strictly following Circular Economy principles. Our manufacturing process is efficient and environmentally friendly. Our product function designs emphasizes ease of use, safety, prolonging the product shelf life, reusable and easily recyclable features, and economic value. We also drive innovations in the manufacturing processes across the supply chain starting from **"Upstream"**; the use of innovative raw materials, fibers, and additives, then **"Midstream"**; the mixture of paper and plastic materials for new packaging paper finally to the **"Downstream"** with the development of a variety of packaging products.



#### Fiber Technology and High-performance Additives

Use innovative Nanocellulose-Fiber (Fortina), in the production process for increasing packaging paper strength. Regarding increasing tear resistance and bursting strength,



the high-performance additive, Powerseries is applied with adopting modification technology and fiber engineering.

- Fortina can increase paper strength by more than 30-50%, in replacement of long fiber; therefore, this Nanocellulose - fiber is a substitute long fiber that cannot be produced in Thailand, helps us decrease the import of long fiber.
- Display Packaging Paper is a coated packaging paper type, especially for high quality and beautiful printing.



• Sack Kraft Paper and Bag

can serve the need of various industries that require industrial bags with high strength, elasticity, and tear - resistant properties.



#### **Technology for Lightweight Packaging**

Integration of three technologies, fiber alignment, paper-structure, and paper coating, to obtain extra strength and smooth surface properties can help printability clearer and fairer.

#### Green Carton

Environmentally friendly carton packaging is designed using lightweight paper to decrease pulp use while maintaining the same strength. It helps energy saving during transportation and lowers down the shipping costs with lighter packaging weight.

Save Energy in carton box making around

42.35 Kilowatt-hours/ton. And decrease the use of paper as raw material by more than 25 grams/square meter of each product category.

#### Advanced Material Technology

The use of advanced material technology to develop flexible packaging made from multi-layer mono material. It is easy-to-recycled meanwhile, retains high protection and high impact resistant properties. And also, develop an innovative material, the Modified Atmosphere Packaging (MAP), to extend the shelf life of fresh food products, with its unique properties to control the vapor and oxygen permeability.

 R-1 A Polymer packaging made from multi-layer laminated films, whereby each layer is comprise of the same material type, which allows for the ease of recyclability.



Odorlock Smart food-packaging for controlling the spread of unpleasant odor that nuisance to other goods such as Durian stench or smelly pickle fish. With the results, these smell goods can be transported and displayed

with others.



- OptiBreath<sup>™</sup> A Flexible Packaging Bag used to keep the freshness of fruits and vegetables lasts longer for consumption; it is better-served consumers' needs than ordinary bags.
- OptiSorbX<sup>™</sup> A Packaging with Oxygen Absorbers can extend the shelf life of products as snacks, bakery, and food with fats and oil composition or easy stinky products.



#### Coating Technology – Bravo Technology

This innovation adds many unique functions to paper packaging, such as preventing the penetration of oils and fats, withstanding freezing point, insulating properties, effectively protecting the goods containing inside and easily recyclable. Above all, it helps reduce the number of resources used in the production process.

 "Fest Chill" It is produced from eucalyptus pulps from commercial forest plantations. The packaging is coated with film that can directly contact the foods; can be used for containing hot foods with water and oil components up to 130 degrees



Celsius". More importantly, after using, the films can still be peeled off for recycling and the packaging can naturally be degraded within 60 days.

 FybroZeal Paper packaging bag is made from natural fiber with its unique properties;

high strength, heat-sealed without laminated film, recyclable and biodegradable.





#### Product and Technology Development Center, PTDC

SCGP continues to develop innovations in both the Integrated Packaging Business and the Pulp and Paper Business. With the development from both business units and corporate functions, The Product and Technology Development Center becomes the organization that supports developing innovation in SCGP. It has experimental, research, and testing laboratories for quality assessment of product properties in various stages of manufacturing processes. PTDC has many personnel working on research and innovation according to business directions and also has built research collaborations with leading agencies and universities both in Thailand and foreign countries.

# **Total Packaging Solutions**

It is one of the key success factors to SCGP's continual efforts to develop creative capabilities to meet its diverse groups of customer requirements; by offering them comprehensive products such as pulp and paper packaging, packaging from high-performance materials and polymers, food packaging, including design services, printing, with marketing concept following the Circular Economy principles, environmentally friendly production processes, cost-effective use of resources and helping to create new experiences for customers' creativity.

#### Enhancing the Solution Capability with High-Quality Human Resources





**35** Professional Designers

500+ Sales and Customer Service Team



**90+** Researchers and Developers

120+ Skilled Engineers

#### **Circular Economy Solutions**

Emphasize product and service design by making the best use of resources in every step of the process.

 "Fest Bio" It is produced from 100% eucalyptus pulps from commercial plantations, can be used for containing foods directly. In addition, Fest Bio is easy for use in heating up foods by microwave and oven and is environmentally friendly and can be biodegradable within 60 days.



#### **Smart & Functional Solutions**

Combines innovative design, materials, structure, printings, and manufacturing to create special features and unique packaging functions.

• OptiSorb-X<sup>TM</sup> :

A Packaging with high oxygen and water vapor barrier in combination <image><text><text><text><text><text><text>

with oxygen absorption technique. After packing, it helps maintain the product's quality and extend its shelf life for a longer period. It is suitable for a wide variety of products, such as confectionery, bakery, nuts, processed meats, etc.

#### **Convenience Solutions**

Packaging design and development to facilitate customers and users.

• EzyPeel takes the next step in sealing film with an easily removable feature, reducing the risk of food spills while opening the package without plastic residues stuck to the edges. It Increases convenience for consumers.



#### **E-commerce Solutions**

Meet all forms of packaging for online businesses, large, medium, and small.

• **DezpaX** is an e-commerce platform for small and medium restaurant owners to choose various packaging to buy with readiness to print a brand logo on the package by following the most convenient steps. Its function is also a distribution channel of products for manufacturers and packaging processing plants to help entrepreneurs buy products at a reasonable price with a suitable amount of order for the business size.



OEZPAX



#### **Small Lot Solutions**

DEZP

Responsive to small entrepreneurs by reducing minimum production quantity requirements and helping to shorten the production time.

Advertising Media for Standee with advanced digital printing technology, users can print it directly from the work file data without the mold preparation process. It reduces production time and minimum production quantity requirement – constraints and promotes the sale according to the brand marketing strategy.

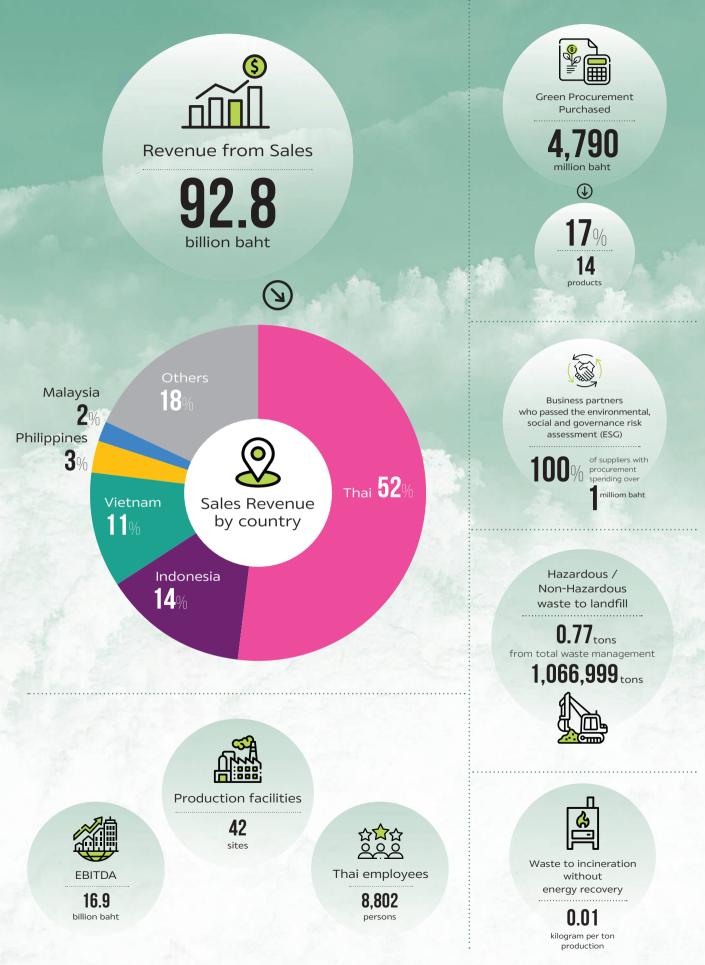
#### **Marketing Event Solutions**

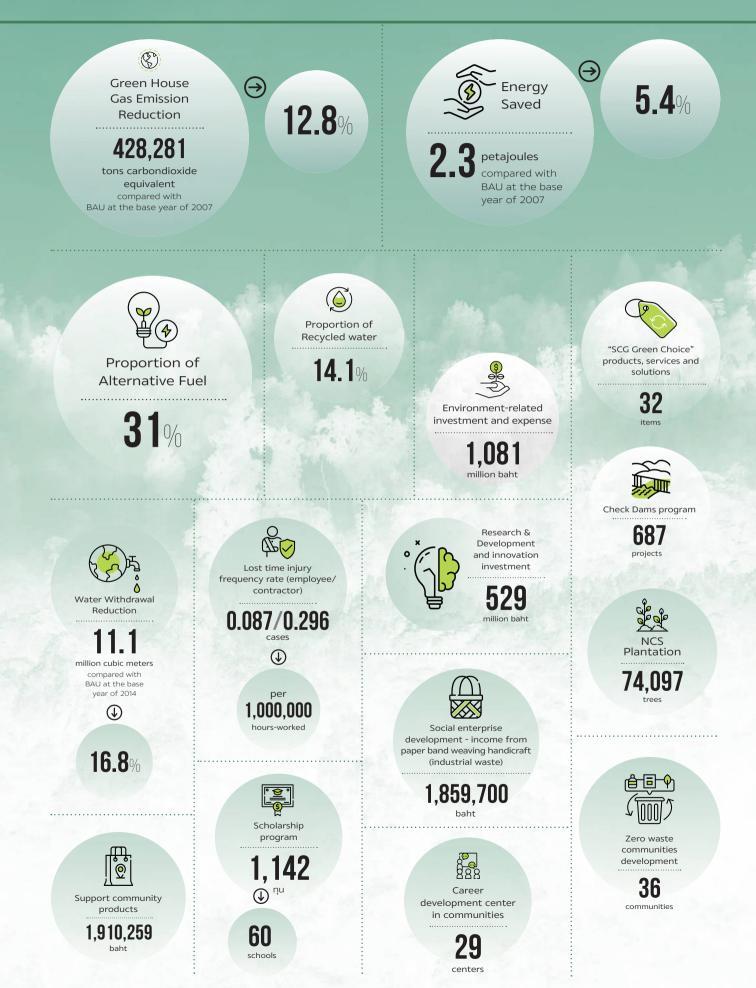
Offer a solution for marketing activities. A wide range of services is available, from design, printing, manufacturing, installation to complete recycling management.

 PopTech advertising materials or display shelves for sales promotion. It is easy to set up within seconds manually. PopTech innovation enhances the piece-work with high-quality printing and beautiful clarity.



## Sustainability Highlight Performance Year 2020





# Always Opportunity in Crisis Amid the COVID-19 Pandemic



The COVID-19 epidemic has made 2020 the challenging year for all sectors of the global society.

One important epidemic prevention measure is social distancing, resulting in a change in people's behavior, working from home, avoiding large gathering activities, and avoiding activities in public areas such as restaurants, department stores, etc.

While all business and industrial sectors are affected by people's declining activities due to government epidemic control measures, they have to stay at home; but, throughout 2020, SCGP had adapted to cope with this situation by turning the crisis into an opportunity under the change of New Normal Life. However, we consistently monitor and carefully manage the business operations until the world finds a way to coexist with this emerging disease sustainably.



### **Crisis Response with BCM**

SCGP has implemented the Business Continuity Management system (BCM) since 2011, responding to any disruptive business situations that might occur, such as natural disasters, terrorism, etc. Every year, we organize the **functional exercise** according to the BCM system to ensure that we are prepared and ready for any emerging crisis response.

Naturally, crisis occurs only in some areas, but the COVID-19 outbreak has widely spread in every region all over the world.

Thawatchai Wongpaisan, Sustainability Productivity & Innovation Management Director, Chairman the SCGP Working Group for COVID-19 Emergency Situation, explained 4C's principles deployed by Chief Executive Officer as follows; CARE - concern of employees, business partners, society, communities, customers, and other relevant stakeholders, CONTROL - formulate clear measures and guidelines to keep situations and risks within limits, CONTINGENCY - assess the situation, plan to prepare for disruptive incidents, to help businesses go on, COMMUNICATION - make all relevant stakeholders known consistently and thoroughly.

"Executives must be leaders because the situation is not normal; we must manage with care and prompt response timely. The critical point is that we must have a clear direction to make our team agree and move on towards the same direction."

SCGP had monitored the situation since receiving the first news of the COVID-19 outbreak in Wuhan, Republic of China. We began the system with the internal warning. When the adverse situation raised higher, we conducted meetings to assess the business's impact. We prepared the plans to support various measures to all local and regional factories, such as building entrance screening, Moving infectious suspects, Working system via VPN, Announcement of Work from Home Policy, and Staff-switching to work provision of personal protective equipment, etc. With the readiness of the information technology system and cooperation from factories in a full-scale exercise and preparedness, we took the BCM system into action under the incident Management Plan, and executives at all levels took the lead as exemplars. All SCGP's businesses and factories then continued operating continuously.





Thawatchai Wongpaisan Sustainability Productivity & Innovation Management Director

**Opas Rakkulchon** Corporate Human Resources Director

"We have had a clear system. Whenever the crisis occurs, we employ the system that has already been in place to run everything by following the steps of the procedure," **Opas Rakkulchon**, Corporate Human Resources Director, one of the working group described the operation of the BCM system.

The SCGP - Working Group for COVID-19 Emergency Situation comprises representatives of all related functions from local and regional factories; Production, Research and Development, Raw material Procurement, Engineering, Planning, Marketing and Sales, Transportation, Human Resources, Information Technology, and Communication. They jointly set measures and guidelines then communicated to their employees, business partners, and customers to keep the business ongoing.

"Regarding our action in Jakarta, Indonesia, when the outbreak of COVID-19 occurred, SCGP took immediate action, while utilizing technology to ensure that the operations continue uninterrupted." Opas gave an example of the real case following the 4C's principle that SCGP has used as a management concept under emergencies.

"This incident allows us to see many opportunities to develop our people with better readiness and preparedness to increase their attribute more resilient, more robust, and prompt to coup up with all situations."

Opas sincerely reviewed all incidents in 2020 with his vision of turning weaknesses into an opportunity to improve the organization more vital.



#### Sustainability In Focus

## Always Opportunity in Crisis Amid the COVID-19 Pandemic

## **Innovation for Society**

Innovation is an essential tool that SCGP uses to drive the organization to adapt rapidly and keep pace with global society's changes. Thus, we emphasize researching and developing innovation continually.



SCGP's Product and Technology Development Center had produced alcohol hand sanitizer to World Vision Foundation of Thailand for the Foundation's youth and staff, Including network agencies in the communities.

"Our challenge is the speed of product delivery for users' prompt use in time of emergencies. So we clearly divide working steps and duties, simultaneously find the problems along the process as fast as we can to have sufficient time to solve them, and finally, get the right results in time for use. Though it's not the best product yet, they must pass international standards," said one of SCGP's innovation teams, on mentioning the background of research and development.



It was not only the hospitals that need anti-infective and physical protective equipment, but also many private agencies.





SCGP invented innovations such as the U-Space Doozy Pack screen to support the New Normal lifestyle that requires social distancing. It is corrugated paper in various sizes and shapes, such as U-shape, L-shape, and I-shape for practical use in any area, easy to install, lightweight and foldable, suitable for minimum space. There are also many patterns for user selections with its recyclability property.

We also developed sanitary paper to cover haircuts for barbershops and beauty salons around the factory. We intended to promote hairdressers use this paper individually instead of reusing clothing as usual. The sanitary paper helped reduce the spread of COVID-19 and increase the safety of barbershop clients.

## **Resiliency for Business Growth**

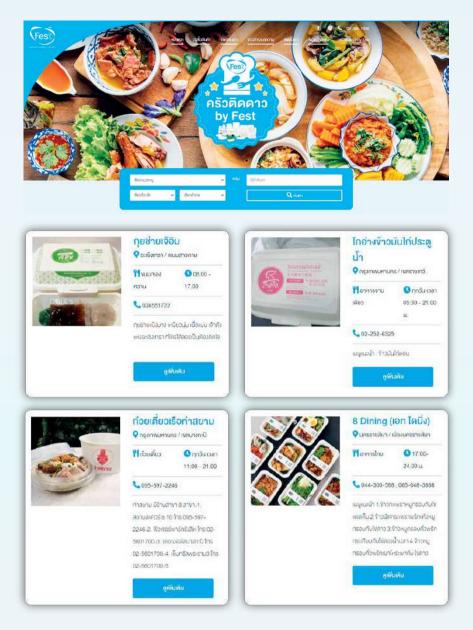
The COVID-19 epidemic has caused business operations of various organizations to experience difficulties to the point of stagnation. It is not only the needs of consumers have changed, but also the supply chain of production.

During the COVID-19 situation, SCGP tried to mitigate the procurement impact through multiple sources-approach, such as Increasing the proportion of primary raw material procurement and services from domestic sources with the capability of the shorter delivery time of supply, including raw material procurement from companies' raw material source within SCGP itself.

In customer care, SCGP and customers closely worked to develop Customer's specific solutions for responding to their growing end-user-consumers with diverse needs such as cleaning and hygienic products, bottles containing gels, alcohol, rubber gloves, and canned food, frozen food, non-alcoholic beverages, etc. And also respond to the need of the rapidly growing e-commerce customers under the New Normal context. In responding to the food online delivery service's consumer behavior preference, SCGP developed strong Fest Chill packaging; it can be stacked and contain food heated up to 130 degrees Celsius. Consumers can put it in the refrigerator up to 5 days and reheat food in the microwave for more convenience. After use, consumers can peel the film off for recycling, and the packaging is naturally degradable within 60 days.

Fest Food Safety Packaging is committed to developing from market research and consumers' needs study by taking into account the actions from the high quality raw material selection process, package structure designs and production process with the standard internationally certified including BRC (British Retail Consortium), HACCP (Hazard Analysis Critical Control Point) and Standard for right criteria and methods in food production or GMP (Good Manufacturing Practices); assurance on the cleanliness and safety.

Develop online business model according to the policy. "Switch physical store to be online store" by go live eCommerce website www.festforfood.com with online payment gateway and online marketing tools. Design attractive website stimalte as Fest shop to engage customers to buy Fest from everywhere with convenience.





We are ready to deliver products to customers through an efficient delivery system with the concept of **"Convenient to Buy, Convenient to Order, Convenient to Pay by Online Payment Gateway, Convenient to Delivery."** As advertised on the website, we introduce packaging shops with Fest products for sale in the vicinity of the customers' locations, including restaurants that use Fest food packaging on the page **"Khrua Tiddow by Fest"** to encourage our business partners to overcome the crisis together.

According to business resiliency ability, while maintaining high safety and hygiene standards, SCGP gains customers' trust, resulting in increasing SCGP's sales volume in 2020 and expanding its customer base widely. Sustainability In Focus

# **Inspired Solutions Studio**





We are in the midst of continuous changes with trends towards the growth of *E*-commerce business, consumer expansion in the ASEAN region, the ever-changing consumer lifestyles, and the more significant environmental awareness, which continually drive packaging development.

SCGP has proactively and rapidly managed this situation using a close-to-customer strategy (Customer-centricity), understanding customer problems, and increasing our ability to develop Packaging Solutions' ability to meet their needs.

We set up a systematic work process, firstly accepting inquiries from customers, offering ideas and solutions, preparing product samples, and customizing them until obtaining a piece that responds to customer's specific needs.

Our company has personnel and technology readiness, the Product and Technology Development Center, to innovate various packaging. Besides, we have professional designers ready to create and serve customers timely with consistent investment in advanced machinery and technology.

All we have done is to deliver the most customized packaging solution to customers the most.

The term **"solution"** is widely used to define operational strategy across many organizations. When we interpret the word "solution," there are more meanings, to give the sense of it. Thus, there may be a gap in this understanding of which SCGP is well – aware. We wish to have all stakeholders, including employees, customers, and consumer customers, so we invested in building the SCGP-Inspired Solutions Studio to offer versatile and tangible packaging solutions. We intend to enhance different experiences and sparking ideas for customers to develop new packaging to meet customers' end user's needs (consumer) as much as possible.

SCGP is pleased to have this studio help enhance and cooperate with relevant institutions and universities in the promotion of packaging, to inspire young designers, including personnel involved in this industry, to help improve the development of the packaging industry in Thailand and the region with strong capability to compete at the global level.

#### Mr. Suchai Korprasertsri

Chief Operating Officer Pulp and Paper Packaging Business SCG Packaging Public Company Limited (SCGP)





#### Sustainability In Focus

## **Inspired Solutions Studio**

## "Customers feedback"



I admire SCGP-Inspired Solutions Studio designed with an excellent concept, both the innovation display and the divided different zones. It can enhance visitors to appreciate SCGP's wide range of products, technology, and innovations. It is like a One-Stop Shopping, which has many interesting examples for our company, such as biodegradable bags and packaging solutions for answering the sustainability issues. Above all, the produce-extending packaging really meets our needs; the Ezy Steam, microwaveable food packaging without cutting or tearing the pouch is more convenient to use.

There are also paper displays for trade shows as a replacement for other materials that cannot be recycled. I will soon return with involved personnel in various parts of my company to visit SCGP-Inspired Solutions Studio, and I will show them what I have seen. We will have more opportunities to work with SCGP in the future, especially new product packaging. We recognize SCGP as a Total Packaging Solutions Provider that offers all customer services from design to production that it is worth calling SCGP "Partner-Friend and Business partner."

**Ms Thanomvong Taepaisitphongse** Chief Administrative Officer, Betagro Public Company Limited



"It is an innovation center that opens up the perspective of developing packaging and promoting our products to our customers. We got many fascinating ideas, such as the packaging made into furniture used in condo buildings or a display box. It feels innovative, and it is an idea that we are interested in further developing the market. Formerly, our company has been working with SCGP-Inspired Solutions Studio regarding packaging design and printing for our products. SCGP's printing technology is outstanding, attracting our customers' attention and different from conventional packaging. In the future, we may have a packaging program for agricultural products inspired by The management of Singha Park Chiang Rai's visit the studio. SCGP has so many packaging innovations that should expand the Inspired Solutions Studio to display more products and innovations. It helps to open up the world with more perspectives for customers."

#### Mr. Jakkrit Kaathanan

Director of Central Purchasing Group, Boon Rawd Brewery Co., Ltd.



"On visit SCGP-Inspired Solutions Studio, I have really been inspired.

It shows the continued work of SCGP with new technologies to respond to customer needs. It helps spark new ideas In the development of our work. We already have had the same project that we are working on with SCGP. When you visit the studio, you will be more confident. Enter and feel comfortable to access because the environment is like Daily life. There are many exciting and never-before-seen products, such as jigsaw-like box on the same pallet, which would be suitable for exporting food overseas. We may develop into the next project I would like to communicate more information on how each of the materials on display contributes to sustainability. In the future, I would like to lead the packaging development team of our company to visit. I am very impressed. "

#### Mr. Kitti Wang Viwatsilp

Executive Vice President Research and Development Division, Charoen Pokphand Foods (Public Company) Limited



"We led the marketing team to explore and got many new ideas of modern packaging. It gives answers to many applications. There is also packaging for marketing events, the booth that is beautiful, modern, and creative. Our company manufactures disposable diapers. When I saw a package that helped keep the smell, It gave me an idea that it might be applied to keep the smell of used diapers because sometimes mothers cannot dispose of the used diapers. And there is another packaging with a barcode link to YouTube to view advertisements, which may be a good idea for mom shopping to know more about our product details. But, no matter how good innovation is, if the service is terrible, it's like closing the door. I have to admit that every SCGP team is very passionate about customer service. SCGP's service is number one. We gain a lot of creativity from SCGP Inspired Solutions Studio, making SCGP an important essential partner in our business."

#### Ms. Chophaka Sitthikornvanich

Purchasing Manager, DSG International (Thailand) Public Company Limited

#### Sustainability In Focus

# **Ban Pong Model:** A District of Like (No) Garbage



For someone, a piece of garbage may not be recognized as a problem, but when more and more residential waste is discharged and dumped into a heaping pile of garbage, it causes the unpleasant smell, and smelly black color water, which traps the minions; mosquitoes, flies, and pest-carriers, which all threatens the community's health.

During the past, 12 tons of waste were accumulated monthly at Ban Rang Plub, Krab Yai Subdistrict, Ban Pong District, Ratchaburi, which adversely affected the local community.

However, with recent progressive measures to tackle the residential waste problems, the village is now recycling its trash, including the past accululations that have been cleared as well.

All residential waste is valuable, and all citizens at Ban Rang Plub play a vital role in the recycling process.

More than 40 other communities in Ban Pong District have done a remarkable job to recycling their its residential waste while changing of all the local citizens's mindsets.

Sooner or later, the Ban Pong District will become a district that possesses net-zero garbage generation.

### Ban Rang Plub, the Trash Bin – Free Village.

"Many villagers in Rang Pub suffered from dengue fever due to the still water at the local waste disposal site, making it a perfect breeding ground for dengue mosquitos."

**Mr. Sanan Techadee,** Village Headman of Rang Plub talked about municipal waste discharge from 358 houses, 1,200 villagers with an estimated cumulative waste generation annually around 150 tons.

"In the past, municipal workers would come to collect waste in our village, and it took about 3-4 hours to clear them all. The municipality usually comes to collect the waste here 2-3 times a week. Just one day after removing the trash, the trash bins were full up again in the following day. So, the villagers started to move trash bins to the front of neighbours' houses, causing conflicts and resentments. It turned out that Mr. Sanan Techadee, Village Headman of Rang Plub waste did cause not only dirtiness but also social conflicts, hatred and illness all at once."

Headman Sanan realized that waste was the root cause of all problems and required proper management. As long as, trash bins were available, the villagers would never stop dropping waste in the trash bin. He seriously asked the municipal workers to remove all trash bins from the village and encouraged the community to adapt to change through trash separation and bags used.

With seriously waste separation, the villagers found that even trash bag has no more necessity.

The amount of garbage of Ban Rang Plub was continuously decreased. Previously, the municipal workers spent 3-4 hours collecting waste in the village; finally, waste-collecting times was less than an hour, just only one time per week.

Where had all the garbages gone?

The garbage has become the community' household extra income after learning how to separate and sold them to waste buyers for recycling. Besides, they made the souvenirs from the waste, such as straw hats, and turned food waste into organic compost for their rice fields and vegetable gardens for household consumption. They could decrease food expenses and returning better health.

"If they toss away the trash, they toss away their money. It turns out that waste is no longer waste but extra income for the community. Today, our Ban Ran Plub villagers can earn extra income from waste separation."

Suppose you walk around Ban Rang Plub today. In that case, there is no house without products from waste such as a mailbox from a used microwave oven, plant pots from separated milk cartons, soda cans, or helmets, even the signposts from used satellite dishes.

If you step further to the kitchen garden next to the house, you will find innovation, an "Eco-friendly Compost Bucket" buried in the soil. The compost buck is a simple assemblage of three plastic buckets but can compost food waste to be decomposed into fertilizer effectively. It can accelerate the growth of vegetables without using any chemical fertilizers.

The "Eco-friendly Compost Bucket was one of the innovations that SCGP recommended to Rang Plub community; Including knowledge of waste management following the Circular Economy principles and the SCG Circular Way to strengthen communities with a dedication to being a waste-free community.

Thanks to the thriving community cooperation in waste management, Ban Rang Plub was finally awarded the first prize at the national Zero Waste Community Project Contest in 2019 of the Department of Environmental Quality Promotion.







### Ban Pong Drives 17 Local Government Organizations towards Waste Management

Travel along Petchkasem Road from Nakhon Pathom Province, to intersection onto Highway 323 exit towards Kanchanaburi Province. Then you will reach Ban Pong district, Ratchaburi Province, which is approximately 75 kilometres outside Bangkok, with an area of 390 square kilometres, and Population up to 173,000 people. It is under the supervision of 17 local government organizations (City Municipality, Sub-district Municipality and Sub-district Administrative Organization)

Ban Pong is well recognized as an economic district of Ratchaburi with as many as 600 industrial factories in operations, including SCGP's packaging paper factory in Tha Pha Sub-district. Throughout the past years, SCGP has consistently supported CSR projects of the communities surrounding the factory such as Ban Rang Plub, Krab Yai Subdistrict, which is further up to the north.

When Mr Tosapol Phuanudom, a former Chief District Officer - of Ban Pong (2019-2020), realized the garbage problem in the district with a volume of garbage up to 171 tons a day due to the city expansion. There was so much trash from shops and restaurant: he intended to drive waste management entire the district. It was just the same time as the government announced a policy of managing municipal solid waste at the source. Together with SCGP also expressed the intention with Bang Pong District to push the community's Circular Economy principles applicable into the community. Therefore a project "Ban Pong Model" was initiated with the collaborations of three sectors: the government sector, the private sector and the public sector. He had set a goal to build a model community network of efficient waste management at the district level, persuading the 17 Ban Pong District's local government organizations to select one community to join and stimulated the awareness of the participating communities by organizing a contest "Community Like (without) garbage" within four months.

Ban Rang Plub, which had gained both best practices and lessons learned, was assigned a Principal Head Role to transfer its experiences to other communities.

"We believe a good role model is more valuable than a theory. People don't listen to what we tell them to do, even the Chief District Officer's words. So, we asked Ban Rang Plub to be a role model for other communities in waste management." SCGP took part in determining the project's goals, exchanging perspectives and attitudes with all sectors towards aligning with the same direction, especially providing knowledge and understanding in proper waste management. Moveover, the proper allocation of annual budgets for facilities and activities to encourage continued recycling in the communities. To accomplish this kind of project, we cannot do it alone, the Ban Pong model can be successful only with all parties cooperation.

Mr. Tosapol Phuanudom, Former Chief District Officer of Ban Pong (2019-2020)



#### Sustainability In Focus

## **Ban Pong Model :** A District of Like (No) Garbage



#### **Expanding Results to Other Communities**

Ban Aor E khieo was one of the communities that joined the Ban Pong Model project with some understanding of waste management because its vicinity close to Ban Rang Plub.

Here, there was a similar garbage problem coupled with dengue fever and the people's hygiene in the community, including crime.

**Mr Suchart Chuenjai**, Headman Ban Aor E khieo proudly said "When there is less waste, there is a better environment. Dengue fever used to be on the top list has almost gone. There is no more petty theft since we set up a waste management unit for monitoring if there is anyone outside the community toss the garbage in our community or not. So, we had a chance to inspect the theft simultaneously. It turns out that every problem that has ever happened and cannot be solved have been accomplished by our managing all waste."



**Mr. Suchart Chuenjai**, Headman Ban Or Eekiewm



Also, the food waste is turned to composting, fertilizer, and food for pigs and fishes. The community invented food waste processing into pellet fish food, namely "Matcha, Save the World."

Instead of disgusting garbage but becoming "Like" garbage. Thanks to realizing its value, this is the true essence of the word; "without" waste.

Ban Nong Mai Fao, Khao Khlung Subdistrict is further to the west of Ban Pong District. In the beginning, the community attentively joined the Ban Pong Model project with a strong determination to learn waste management from Ban Rang Plub to replicate this project's success to their community. Plus the social cost of a long-harmonious society, they successfully implemented waste management at the very end.

"Whenever there is an event on an important day, be it Father's Day, Mother's Day, or the most important religious day, people in the community will join forces to complete the events successfully. Though our society is harmonious, we lack the knowledge of efficient waste management. For many years we had walked in the wrong directions throughout the village."



Mr. Sombat Thepros, President of Khao Khlung Subdistrict Administrative Organization

Mr Sombat Thepros, President of Khao Khlung Subdistrict Administrative Organization, narrated the previous mistakes that community did improperly such as getting rid of garbage by incineration, causing air pollution; moreover, the neglecting leachate area causing dengue fever.

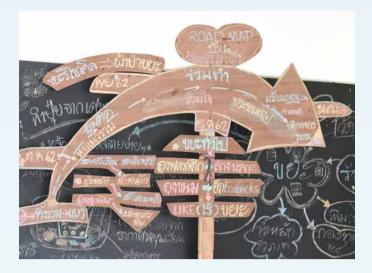
Today, Ban Nong Mai Fao set up a waste management learning centre providing knowledge of waste utilization in various forms such as compost, bio-fermented water and earthworm food. Above all, with the unique processing of clothes pieces into engine wipes, it is a value-added product that many engine manufacturers have ordered. The revenue from sorted municipal waste is transferred to a community fund for caring people in need, such as people with disabilities, bed-bound patients, including scholarships for well-educated and needy children.

"Previously, we were the waste burner; presently, we have a holistic view for society because it doesn't affect only our community but also the ecosystem as a whole. The project makes us care of other people more than ever; this is what we learn from waste management.

"It's not just only our houses are cleaner, but also our hearts are cleaner."







### **Another Step of Success**

Ban Nong Mai Fao Community was awarded the first prize in the "Community Like (without) Garbage" contest and an Admiration Award in 2020 of Department of Environmental Quality Promotion on Zero Waste Community Project. Following closely its mentor, Ban Rang Plub, which was awarded the previous year (2019). This consecutive award confirms another step of our success. the Ban Pong model of which official name is "Banpong Circular Economy Community Project".



According to the Circular Economy principles, this project aims to educate people in the community to have the knowledge and capability to manage waste in their communities by minimum use, reuse, more recycling and turning waste to be more useful and value-added materials. The ultimate goal is to create good health and a better environment in all areas of the district.

We are ready to develop an efficient district waste management model and create mechanisms for linking work and networkings to solve the country's waste management problems.

"SCGP is pleased to join forces in building a model community of waste management. And we continue cooperating in the Community Model of waste management expansion to all communities in Ban Pong district,". Mr Saharath Pattanavibul, Director of Siam Kraft Industry Co., Ltd., in SCGP, Ban Pong Mill, expressed commitment on behalf of the private sector on becoming one of the driving forces for developing Sustainable Waste management Community-Model.



Mr. Saharath Pattanavibul, Director of Siam Kraft Industry Co., Ltd., Ban Pong factory of SCG

The result of the unification of Ban Pong people from all sectors resulting in 41 prototypes of waste-free communities in 2020, and the project aims to expand the results to all 183 communities of Ban Pong District by 2022.

From districts with garbage problems, Ban Pong is shifting to a district that effectively manages waste from the source.

District that will soon be a district like (No) garbage of Thailand.

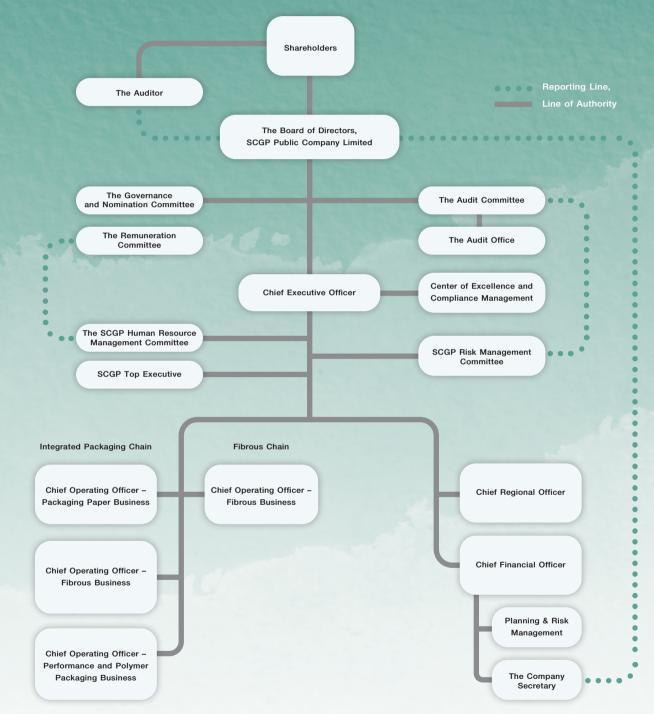




# **Sustainability Approach**

#### **SCGP Corporate Governance Structure**

SCGP has arranged its organization structure, responsible staffs, and corporate governance to be align with its business. We aim for monitor and create a systemic check and balance for effectiveness of good corporate governance, in addition to the creation of values and opportunities for sustainable growth. This is to ensure and provide confidence that SCGP has conducted its business with responsibility, transparency and fairness, while being a good role model for corporate governance and ethics.



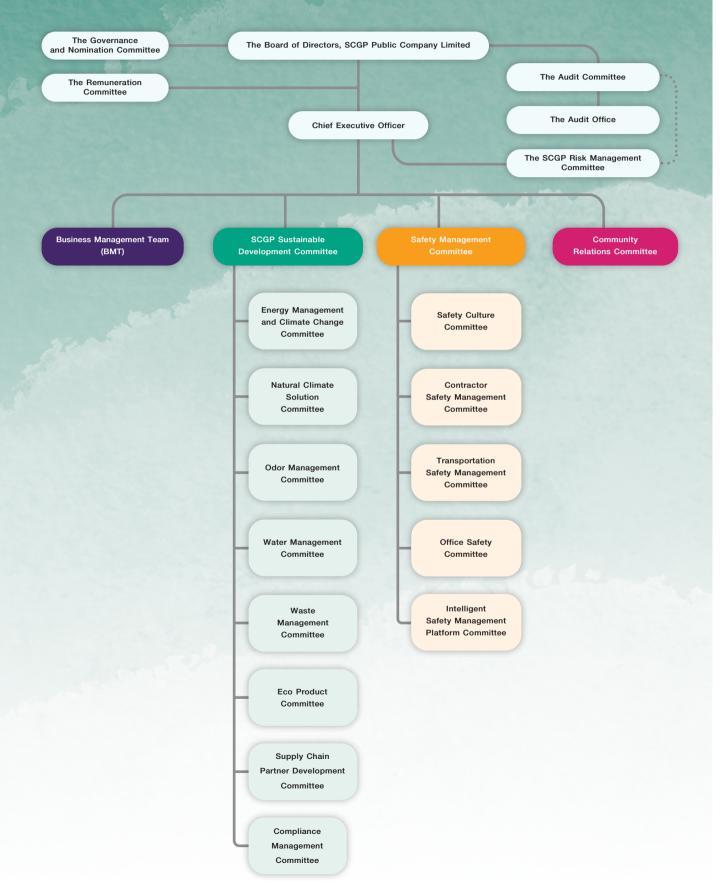
The Board of Directors appoints the Audit Committee, the Remuneration Committee and the Governance and Nomination Committee, to perform their duties in accordance with the Board of Directors' assignment. The Board of Directors considers and approves policies and guidelines on corporate governance to ensure same consistent practices across the organization. The Board of Directors also monitors, evaluates the operations and annually reviews acceptable corporate governance practices at both national and international levels for proper business operations.

**The Governance and Nomination Committee** considers and makes recommendations on structure, corporate governance policies and guidelines to the Board of Directors for considerations, and strictly oversees the Board of directors and the Management Committee's performances to ensure their compliances with SCGP's corporate governance policy.

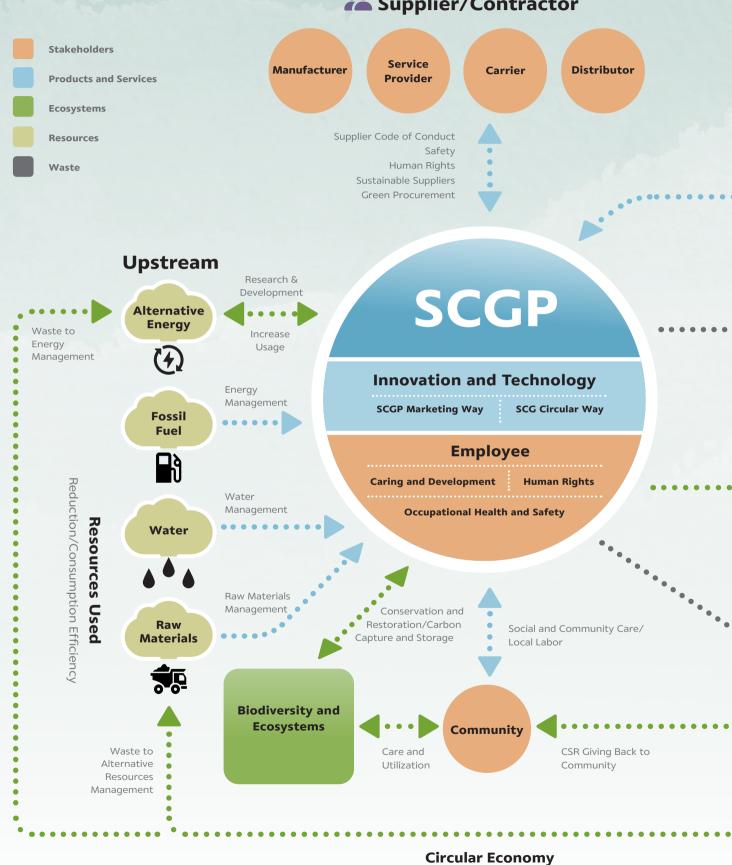
#### **Sustainability Structure**

SCGP considers risks and opportunities, needs and expectations of all stakeholders to obtain data for formulating sustainable business strategies, with a view to the balance of the three dimensions; economic, social and environment. We focus on developing solution to meet customers' diverse and different needs, under the circular economy principles.

We sustainably preserve the environment and ecosystems, promote maximum safety in the workplace, and contribute to improving the quality of life and development of every community and society where we operate.



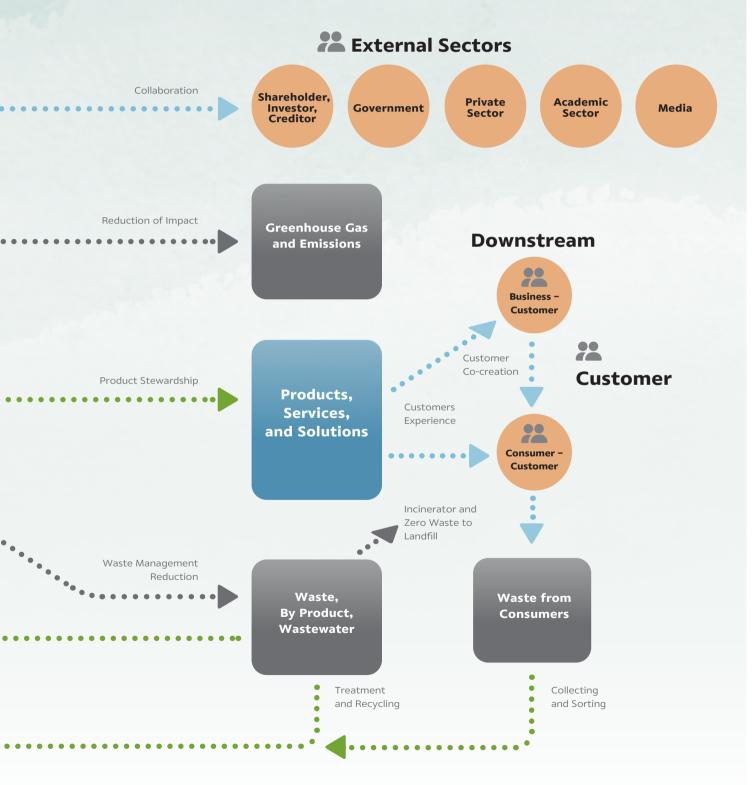
## **22** Supplier/Contractor



# **Sustainable Value Chain and Stakeholders**

SCGP incorporates Circular Economy principles throughout its value chain; from product design, procurement, manufacturing, sales and distribution, usage up to resource recovery. We maximize the unitization of limited energy and resources such as reduce the use, reuse and recycle to the production process as new raw materials and renewable energy fuel with the least residues disposal.

We offer products, services, and solutions to reduce greenhouse gas emissions, energy consumption, and waste, with longer product lifetime. We also take care of the communities surrounding the factory and all stakeholders, creating various social projects, including campaigning activities for raising environmental conservation awareness and being willing to coordinate with all sectors including the public, private and public sectors for sustainable social development.



# **Stakeholders Engagement**

SCGP categorizes stakeholders into 12 groups: Shareholders, Employees, Customers, Business, Supplier & Contractor, Investors, Creditors, Community, Government Sectors, Media, Civil Society Academic Opinion Leaders, and Competitors. The combined interests of each group may affect or be affected by SCGP's operations at different levels. Therefore, each stakeholders' needs and expectations are analyzed prior to communication through the various channels to ensure proper engagement with proper objectives and consistency.

Stakeholder Group	Key Concerns & Expectations	Communication/Channel	Outcome	Action	Page
Shareholder/ Investor/Creditor	<ul> <li>Operating results and business growth</li> <li>Corporate Governance Practice and transparency of management</li> <li>Disclosure of information on business performances and an optimum value of the dividend</li> </ul>	<ul> <li>Annual General Meeting of shareholders</li> <li>Announcement of quarterly business performance</li> <li>Annual Report and Annual Sustainability Report</li> <li>Analyst conference</li> <li>Investor Relations (IR) Communicate business results/action plans with Investors Relations around the world</li> <li>Hotline - Telephone and E-mail managed by IR</li> <li>Website</li> <li>Annual plant visit and CSR activity</li> <li>Channel</li> <li>E-mail: scgpackaging@scg.com</li> </ul>	<ul> <li>Disclosure of essential and necessary information on SCGP - Operating performances.</li> <li>Conduct business with transparency and accountability</li> <li>Listen to opinions and suggestions for business operation development.</li> </ul>	<ul> <li>Annual Report 2020</li> <li>Sustainable Development Report 2020</li> </ul>	
Employee	<ul> <li>Reskill - Upskill and Potential Development in line with business changes</li> <li>Business Directions and Guidelines for adaptation</li> <li>Employee Caring</li> </ul>	<ul> <li>Ensure regular communications through internal news</li> <li>Hold quarterly meeting between employees and executives</li> <li>Conduct annual employee satisfaction survey</li> <li>Conduct formal and informal employee engagement surveys</li> <li>Provide information to realize and aware of healthcare during the COVID-19 epidemic through various internal communication channels, including e-mail, Line Group, Employee Connect Application.</li> <li>Whistle Blower</li> <li>Channel</li> <li>Website: https://www.scgpackaging.com</li> <li>Whistleblower: https://whistleblowing.scg.com</li> <li>Employee Connect Application</li> </ul>	<ul> <li>Recognize employees' problems and expectations</li> <li>Understand employees' needs and facilitate them to work happily and efficiently</li> <li>Disclosure of operational information in various activities for employees to acknowledge the business movement of SCGP; promoting a collaborative culture with other stakeholders</li> </ul>	<ul> <li>Always Opportunity in Crisis Amid the COVID-19 Pandemic</li> <li>Corporate Governance</li> <li>Health and Safety</li> <li>Employee Caring and Development</li> <li>Human Rights</li> </ul>	14-17 36-37 44-45 56-57 58-59
Customer	<ul> <li>Provide integrated - services and solutions that meet the needs of customers in a complete cycle</li> <li>Provide online channels to customers during the COVID-19 epidemic to respond to customer behavior</li> <li>Supply Quality products and services that meet customer needs and are environmentally friendly</li> </ul>	<ul> <li>Provide channels for customers to give feedback about products and services, request solutions, and file complaints through various channels 24 hours a day</li> <li>Conduct a Customer satisfaction survey every year</li> <li>Conduct Brand reputation Survey</li> <li>Listen to customer needs to develop products/services through Facebook, website, and customer visit</li> <li>Channel</li> <li>E-mail: scgpackaging@scg.com</li> </ul>	<ul> <li>Recognize and understand customer needs to deliver products and services that meet their specific needs</li> <li>Co-develop products with business customers, including promoting cooperation among B2B customers to develop more sustainable products and services</li> <li>Create channels for customers to give feedback on the products, request advice for solving their problems, and receive complaints</li> </ul>	<ul> <li>Always Opportunity in Crisis Amid the COVID-19 Pandemic</li> <li>Inspired Solutions Studio</li> <li>Corporate Governance Practice</li> <li>Product Stewardship</li> <li>Circular Economy</li> <li>Customers Experience</li> </ul>	14-17 18-21 36-37 38-39 40-41 42-43
Supplier/ Contractor	<ul> <li>Provide knowledge, be a mentor to raise transportation capability with safety for growing along with SCGP</li> <li>Support operational knowledge with concerns on the environment, society, and good governance (ESG) to enhance the business partners' capability to reduce operation and reputation risks</li> </ul>	<ul> <li>Visit suppliers/contractors' places for exchanging ideas and listening to their suggestions or recommendations for improvement</li> <li>Cultivate consciousness, raise awareness and promote working behavior to build a culture of safety</li> <li>Organize the seminars to share knowledge and new trends that may affect contractors' operations</li> <li>Enhance the level of transportation contractors with assessment and development under the project Sustainability Program every year</li> <li>Establish measures for contractors, including digital and online technology applications, to ensure safety during the outbreak of the COVID-19</li> <li>Channel</li> <li>E-mail: scgpackaging@scg.com</li> </ul>	<ul> <li>Promote and take care of the safety and working environment of contractors in production and transportation</li> <li>Create values for suppliers and contractors' operations</li> <li>Enhance and Enrich supplier and contractor's operations with new knowledge for maximizing operational efficiency and developing collaborative projects for business growth and expansion</li> </ul>	<ul> <li>Corporate Governance</li> <li>Health and Safety</li> <li>Supply Chain Stewardship</li> <li>Human Rights</li> </ul>	36-37 44-45 52-55 58-59

Stakeholder Group	Key Concerns & Expectations	Communication/Channel	Outcome	Action	Page
Community	<ul> <li>Ensure that the business operations do not affect the community and environment</li> <li>Use SCGP's expertise to develop and improve the quality of life of the community</li> <li>Have a chance to learn and self - development for building career and income stability</li> </ul>	<ul> <li>Visit the community to listen to villagers' opinions, suggestions, and needs through Community - Relations activities</li> <li>Conduct Community Satisfaction Survey annually</li> <li>Act as a mentor to give advice and help develop communities in various dimensions, using the expertise of the organization</li> <li>Collaborate with communities, experts, government, and related sectors to create a positive social impact</li> <li>Use Social media tools; Line, Facebook, and Twitter</li> <li>Create Open house activities for the community visit for obtaining their opinions</li> <li>Channel</li> <li>Telephone: 02-586-3333</li> <li>E-mail: scgpackaging@scg.com</li> </ul>	<ul> <li>Be a part of the community with respect to community's rights in parallel with caring for the the environment around the community</li> <li>Improve the quality of life and enhance the community's benefits and society where SCGP operates both in Thailand and ASEAN</li> <li>Listen to the community's opinions and co-develop the projects that enhance the community's benefit</li> </ul>	<ul> <li>Ban Pong Model:</li> <li>A District of Like (No) Garbage</li> <li>Circular Economy</li> <li>Water Stewardship</li> <li>Forestry and Biodiversity</li> <li>Human Rights</li> <li>Community Engagement and Development</li> <li>Environmental Management</li> </ul>	22-25 40-41 48-49 50-51 58-59 60-61 62-63
Government Sector	<ul> <li>Be a role model of corporate governance for other organizations in terms of operational transparency and excellence</li> <li>Collaborate with public sectors and present guidelines for sustainable development</li> <li>Disclosure of business operation information with transparency and accountability</li> <li>Operate business with considerations of the impact on the environment and community</li> </ul>	<ul> <li>Receive opinions and suggestions from the public sectors</li> <li>Participate in proposing opinions and suggestions on public regulations and practices</li> <li>Participate with the public sectors and share the best practices to disseminate to the public</li> <li>Join as a committee or working group with the public sectors in proposing regulatory rules</li> <li>Visit various public sectors to obtain opinions and suggestions</li> <li>Collaborate with the public sectors on innovative pilot projects, mutual exchange learning experiences, and expand the outcomes on a larger scale, to be an excellent practical example for the industry to raise its performance level regarding social, economic, and environmental perspectives.</li> <li>Disseminate information on the business operations through articles, media,academic forum, exhibitions and seminars</li> <li>Channel</li> <li>Telephone: 02-586-4504</li> <li>E-mail: scgpackaging@scg.com</li> </ul>	<ul> <li>Conduct business operations appropriately and adequately with strict compliant to applicable laws and regulations</li> <li>Cooperate and support the development of specialized knowledge for the public sector - personnel to create good experiences and a better understanding of the industry</li> <li>Cooperate and support activities that promote operations and policies of the public sectors</li> </ul>	<ul> <li>Always Opportunity in Crisis Amid the COVID-19 Pandemic</li> <li>Ban Pong Model: A District of Like (No) Garbage.</li> <li>Circular Economy</li> <li>Water Stewardship</li> <li>Community Engagement and Development</li> <li>Sustainable Development Report 2020</li> </ul>	14-17 22-25 40-41 48-49 60-61
Media	<ul> <li>Become a large corporation model that focuses on conducting business according to sustainable development framework in three aspects economic, social, and environment. And do it thoughtfully and continuously achieving clearly tangible and intangible outcomes</li> </ul>	<ul> <li>Disseminate business information in various aspects regularly, such as business performance and business press conference</li> <li>Organize activities to explore operations or social activities occasionally</li> <li>Support the media activities that are beneficial to society, in line with SCGP's business principle, appropriately</li> <li>Have media dialogue to receive suggestions, opinions, or improvements to develop and design communication activities to match the needs and benefits of people who receive information</li> <li>Channel</li> <li>Telephone: 02-586-3333</li> <li>E-mail: scgpackaging@scg.com</li> <li>Website: www.scgpackaging.com</li> </ul>	<ul> <li>Communicate corporate news through in-depth media interviews and an Online survey (empathize media) to provide news content - preparation responding to different media needs</li> <li>Create an online communication channel to disseminate correct, complete, and up-to-date information, including facilitating the media for building engagement and good relationships with the media personnel</li> </ul>	<ul> <li>Sustainable Development Report 2020</li> </ul>	
Civil Society, Academic, Opinion Leaders	<ul> <li>Become a model and mentor of other small and medium enterprises for sharing lesson learned and best practices on sustainable development</li> <li>Join forces with large corporations to make significant changes for sustainability</li> <li>Cooperate with government agencies and present useful guidelines for sustainable development</li> </ul>	<ul> <li>Listen to opinions and suggestions from civil society, academics, and opinion leaders to develop business operations</li> <li>Cooperate in projects promoting social sustainability</li> <li>Providing information on the business operations through articles, media, meetings, exhibitions, academic work, and seminars</li> <li>Channel</li> <li>Telephone: 02-586-3333</li> <li>E-mail: sogpackaging@scg.com</li> <li>Website: www.scgpackaging.com</li> </ul>	<ul> <li>Disclosure of complete and transparent information</li> <li>Listen to comments and suggestions from civil society</li> <li>Seek opportunities to build partnerships to drive and drive issues related to sustainability</li> <li>Raise awareness and understand the community on important sustainable development issues and utilize knowledge from experts to support collaborative projects</li> </ul>	<ul> <li>Ban Pong Model:</li> <li>A District of Like (No) Garbage</li> <li>Community Engagement and Development</li> </ul>	22-25 60-61

## **Sustainability Approaches**

SCGP, along with all subsidiaries and associates have a policy to operate and follow the principles of Sustainability, while assessing risks and opportunities for improvements at all organization levels, in the efforts to balance economic, social and environmental aspects.

## Corporate Governance

#### Economic

Create value not exclusively for maximizing profit, but also response the needs and expectations of all stakeholders. Increase the organizational effectiveness to keep up with the changing situations and support all sectors to operate their businesses regarding sustainable development.

#### Environment

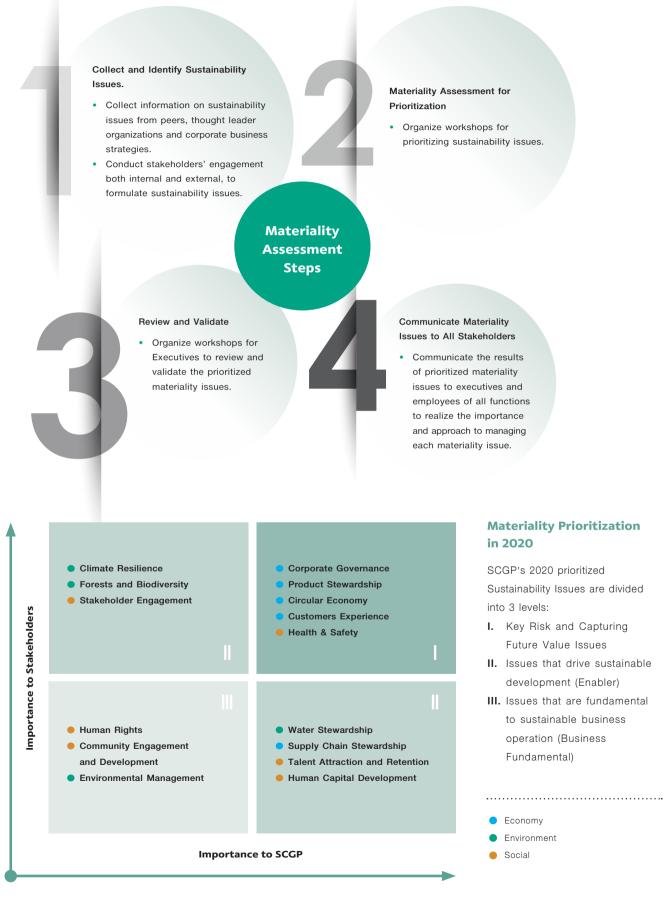
Commit to preserving the environment and conserving natural resources. Reduce resource consumption and energy consumption wisely. Reduce the pollution occurred from the manufacturing process and maintain a sustainable ecological balance.

#### Society

Conduct business with ethics and concern for social responsibility. Treat employees with fairness and equality. Committed to the highest level of safety at work and contribute to improving the better quality of life where SCGP operates.

# Materiality

SCGP manages its sustainability through the collection and prioritization of issues, and in accordance to the Global Reporting Initiative (GRI) standards. At the same time, the company employs stakeholder engagement to prioritize the materiality of the issues in order to be implemented.



# **Materiality and Stakeholders**

SCGP has 15 sustainability issues involving all stakeholders and the UN Sustainable Development Goals 17 items as follows:

					Im	pact Bo	undary					
		Intern	al Sectors		External Sectors							
Materiality Issues	GRI Aspect	SCGP	Employee	Shareholder/ Investor/ Creditor	Supplier/ Contractor	Customer	Community	Government	Media	Civil Society/ Academic/ Opinion Leader	SDGs	DGs Page
Corporate Governance	GRI 102 (3. Ethics and Integrity) GRI 102 (4. Governance)	•	•	•		•	•	•			16	36-37
Health & Safety	GRI 403: Occupational Health and Safety*	•	•			•					3,8	44-45
Product Stewardship	-	•	•			•					9, 11, 12, 13	38-39
Customers Experience	GRI 102 (5. Stakeholder Engagement)	•		•	•	•					9	42-43
Stakeholders Engagement	GRI 102 (5. Stakeholder Engagement)	•	•	•		•						30-31
Circular Economy	GRI 201: Economic Performance	٠		•		•	•				8, 9, 12	40-41
Environmental Management	GRI 306: Effluents and Waste	•	•	•		•	•				6, 9, 12, 14	62-63
Supply Chain Stewardship	GRI: 102-9 Supply Chain	•			•	•					8, 12, 17	52-55
Human Capital Development	GRI: 102-8 Information on employees and other workers, GRI 404: Training and Education	•	•	•		•					4, 8	56-57
Community Engagement and Development	GRI 413: Local Communities	•					•				1, 4 6, 11, 15	60-61
Water Stewardship	GRI 303: Water*	•	•				•	•		- - - - - - - - -	6, 9, 12	48-49
Climate Resilience	GRI 305: Emissions, GRI 302: Energy	•		•		•	•	•			7, 9, 13, 15	46-47
Human Rights	GRI 412: Human Rights Assessment	•	•			•					5, 8	58-59
Talent Attraction and Retention	GRI 404: Training and Education	•	•	•		•					4, 8	56-57
Forestry and Biodiversity	GRI 304: Biodiversity	•				•	•				15	50-51

\*GRI Standards 2018

# Materiality Issues Management

#### Key Risk and Capturing Future Value

- Corporate Governance
- Product Stewardship
- Circular Economy
- Customers Experience
- Health and Safety

#### Enabler

- Climate Resilience
- Water Stewardship
- Forestry and Biodiversity
- Supply Chain Stewardship
- Employee Caring and Development

#### **Business Fundamental**

- Human Rights
- Community Engagement and Development
- Environmental Management





SCGP has established a Corporate Governance Policy and Practice to achieve a balance and work efficiency. Including a management system that ensures fairness, transparency, and long-term economic value for shareholders while creating confidences among all stakeholders and enhancing the Company's competitiveness to achieve sustainable growth.

#### **Compliance with Good Corporate Governance Principles**

SCGP's corporate governance in 2020 has continued evolving from the previous year. The Board of Directors reviewed the application of Good Corporate Governance principles for listed companies in 2017 of the Securities and Exchange Commission (CG Code) to be applied in accordance with the business context. All of the Board of Directors recognize their role as corporate leaders; more than half of the committee members had studied or received lectures on the CG Code of Conduct until they understand the benefits and practices in applying to create sustainable value for the Business. Besides, the performance of each CG Code has been assessed to ensure that the performance is appropriate. There is an assessment of the Board of Directors and all sub-committees' performances and periodically uses the evaluation results to formulate a development plan.

#### Strategy

- 1. Establish a Corporate Governance Policy and Practices to be consistent in the same direction throughout the organization.
- 2. Regularly review policies and Corporate Governance Practices aligned with business strategies and adjust them at least once a year.
- 3. Communicate and encourage employees and Business Partners to gain awareness and seriously comply with the Corporate Governance Policy and Code of Conduct.
- 4. Supervise and monitor the implementation of Corporate Governance Policy and Practices.



# Announcement of additions to the Corporate Governance Policy

The Board of Directors approved additional Corporate Governance Policies and Practices in 2020, namely Human Rights Policy, Personal Information Protection Policy, Policy on qualification and nomination of Company Directors, Investor Relations Code of Conduct, and Policy and Procedures for directorship in other companies of Chief Executive Officer and Senior Executives.

#### **Communicate the Code of Conduct**

SCGP prepared the "SCGP Code of Conduct" as a guideline for the Directors and Executives, Management Committee, and all employees to understand and apply to perform their work correctly and appropriately throughout the organization. SCGP organized activities to promote and instill awareness of the Code of Conduct to employees, such as training new employees, managing the "Ethics e-testing" conducted annually for the sixth executive year in 2020. Also, constructed the "SCGP business partners Code of Conduct" for suppliers and contractors to use as a guideline for conducting Business with significant concerns on society and the environment.

# Revised the Charter of the Board of Directors and Sub-Committees for 2020

The Board of Directors revised the charter of the Board of Directors and sub-committees; the main issues regarding the Independent Directors' agenda and the meetings, including the practice of organizing electronic meetings, to be more in line with the Good Corporate Governance principles for listed companies in the year 2017 of the Securities and Exchange Commission (CG Code), and the development of Electronic Communication Technology.





#### **Anti-Corruption Coalition**

In 2020, SCGP announced its intention to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), in the process of being certified, expectedly to earn the certificate by 2021.



#### SCGP Policy and Good Corporate Governance Principles



SCGP announced the Corporate Governance policies published on the company website www.scgpackaging.com

- Structure and Mechanisms for Corporate Governance comprising SCGP Business Philosophy, SCGP Code of Conduct, Corporate Governance Structure and Policy.
- Policies and Guidelines for Directors and Executives comprising the Board of Directors Charter, The Audit Committee Charter, Charter of the Governance and Nomination Committee, Charter of the Remuneration Committee, Independent Director Qualifications, Policy on Qualification and Nomination of Company Directors, Scope of Duties and Responsibilities of the Chief Executive Officer, and Policies and Procedures for directorship in other companies of chief executive companies Officer and Senior Executive.
- Corporate Management Policies and Practices, comprising the Audit office Charter, Sustainable Development Policy, Compliance Policy, Anti-Corruption Policy, Policy on entering into the connected transaction Conflict of Interest, Competition Policy, Corruption Complaints and Misconduct Policy, Investment Policy in Subsidiaries and Associates, Governance and Management Policy for Core - Business Subsidiaries and Core - Business Associates, Risk Management Policy, Disclosure Policy, Policy on Internal Information Management and the Use of Information Technology, Human Rights Policy, Personal Information Protection Policy, and Ethics of Investor - Relations.
- **Policies and Practices on Stakeholders** comprising the Policy on the Treatment of Stakeholders, Dividend Policy of the Company and its Subsidiaries, Policy, and Practices for sourcing and selecting Business Partners including Business Partners - Ethics.





#### Channels for Receiving Whistleblowing of Unethical or Corrupt Acts

SCGP provides a channel for whistleblowing or complaints about actions that may be illegal, regulations, or imply corruption of personnel in the Company by the following two channels:

- 1. Personnel within the Company can make a complaint via the intranet, orally, or in writing.
- 2. Third parties can make complaints through the website www.scgpackaging.com or in writing to the person specified in the Fraud and Delinquency Complaint Policy

SCGP will consider the facts from the investigation to establish practical and preventive measures for preventing a recurrence. (Details of complaints are shown in the annex on Economic Performance.)





#### Target

- / % (2/3) hh Sales Revenue of SCG Green Choice - products and services of total sales revenue in 2030
  - 33.3% (1/3)
- Sales Revenue of SCG Green Choice - eco use products and services of total sales revenue in 2030

#### Strategy

- 1. Develop products, services, and solutions that meet consumer's needs, enhance well-being, taking into account the impact of climate change and the Circular Economy principles.
- 2. Develop business processes throughout the value chain according to international standards.
- 3. Innovation-oriented approach in the development of products, services, and solutions to generate new business opportunities.







#### 2020 Performance

- $33.9\,\%$  Sales Revenue of SCG Green Choice products and services (31,484 million Baht) of total sales revenue
- 2.2% Sales Revenue of SCG Green Choice eco use products and services of total sales revenue
- 32 Products with SCG Green Choice label

#### **Enhance Box Packaging Boxes with Microflute**

Microflute is an SCGP innovation suitable for producing strong, lightweight boxes with high-quality printability.

Thanks to the Micro Flute's curl thickness reduction, the package becomes smaller, easy to fold, has a beautiful crease, attractive perforations, easily tears, retaining strength, and supports the

6 PACK

natural

pressure very well. Thanks to less material consumption, Microflute is lightweight packaging that helps increase transportation efficiency and reduce areenhouse aas

emissions. It is another way to

protect the environment.



#### "Fest" Food Safety Packaging

developed hygienic and safe food packaging that could directly contact the foods in order to respond to the needs on the use of the packaging that has continuously been expanding both on food and food delivery service. Fest develop offers 3 mains of categories ; Fest Choice, Fest Bio and Fest Chill.





to their customers and responding to the stores' special packaging needs with beautifully colorful patterns to help create identity, enhance the image, add value on marketing and increase the communication channels for the customers' brands, as well.



Det

Thai Paper Co., Ltd. has initiated the e-commerce online channel www.festforfood.com specially designed for the distribution of food safety packaging that is convenience for both buyer and user. Online payment gateway are utilized, whether it be credit cards or payment transfers, for both efficient and safe transactions.



#### Sustainability According to FSC<sup>™</sup> (License code FSC<sup>™</sup> - C135609) Standards

Siam Forestry Company Limited, SCGP encourages farmers to grow eucalyptus trees with a sustainable horticulture management system in accordance with the Forest Stewardship Council<sup>TM</sup> (FSC)<sup>TM</sup> standard, which provides the certification of wood and timber products. In 2020, there are 70 FSC<sup>TM</sup> membership farmers, 14,700 rai of member eucalyptus plantation area, and 12,694 rai of the Company's plantation area, so the total FSC<sup>TM</sup> certification areas are 27,394 rai. The Company has a plan to expand the planting areas to meet the FSC<sup>TM</sup> standard every year.

SCGP is committed to increasing sales of FSC<sup>TM</sup> - certified packaging paper to create a sustainable business operation. In 2020, the sales revenue of FSC<sup>TM</sup> packaging paper was 22% of the total sales revenue. The target in 2021 is to increase the proportion of FSC<sup>TM</sup> packaging paper to 25% of the total sales revenue.

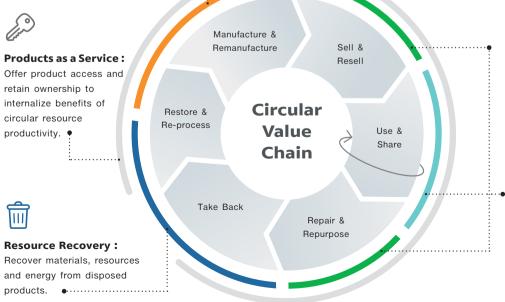


SCGP places great emphasis towards Circular Economy as an essential solution to Thailand and the global environmental issues such as global warming, resource scarcity, global waste crisis, poverty, and quality of life. By elevating our Circular Economic practices, we are able to manage the circulation of resources and energy in the system with cost-effectiveness at the highest benefit, starting from planning, design, material selection, production, consumption, and waste management until recycling in the production process as raw materials.



#### **Circular Supplies :**

Use renewable energy, bio-based or fully recyclable input material to replace toxic and single-lifecycle inputs.





#### 2020 Performance

 $\mathsf{b}_{\%}$  sales revenue of recyclable polymer packaging from total sales revenue of polymer packaging

#### Strategy

sales revenue of recyclable polymer packaging from total sales revenue of polymer packaging

sales revenue of recyclable polymer

sales revenue of polymer packaging

packaging from total

by 2020

by 2025

- 1. Incorporate the Circular Economy principles in developing products and services to generate and retain their maximum material core values.
- Promote the use of bio-based or renewable 2 materials with recyclability.
- 3. Research and develop innovations to extend the life of products and components.
- Use the Sharing Platform to make the most 4 of our resources.
- 5. Collect and manage waste for reuse and recvcle.
- 6. Transform the business model according to the concept of making Products as a Service.

**Product Life - Extension :** Extend working lifecycle of products and components by reselling, repairing, remanufacturing and upgrading.

#### **Sharing Platform :** Enable increased utilization rate of products by making possible shared use/access/ownership.

References, CEO GUIDE TO THE CIRCULAR ECONOMY, WBCSD

#### O Waste Recycling to Supplement Raw Material

Post-Consumer Recycled Resin (PCR); Transform plastic resins after consumers' use a supplement raw material to polymer packaging production, reducing the use of new plastic beads (virgin resin) such as shampoo bottles.

Flexible Packaging is made from a multi-layer laminated film of which each layer is a polymer of the same type (Multi-layer mono-material). Through the application of R1 and R1 Plus technology, Flexible Packaging can protect the product and withstand high impact, including its recycling ability to be plastic pellets and other materials. It helps the circulation of renewable raw materials back into the system.

#### Post-Industrial Recycled Waste (PIR Waste)

Waste materials from manufacturing processes such as cutting edge scrap and formed waste plastic sheets are crushed, converted, and used as a supplement to produce new polymer packaging such as gallons of engine oil, including food cups for high-pressure sterilization processes (Thermoformed cup for retort process)

#### Product Take-back Program

SCGP has developed the PaperX application to buy and return wastepaper or used paper packaging to the recycling process as raw materials of paper and packaging productions. We continually



expand the cooperation efforts to meet consumer expectations through engaging with both the public and private sectors:

- Cooperate with Sansiri Public Company Limited to create the "Sansiri Waste to Worth" Project to collect wastepaper and used paper packaging from the residential project. We achieved returning 100% recycled wastepaper into the production process.
- Cooperate with Chewathai Public Company Limited to create a wastepaper separation project before disposing of, then recycled and reused as raw materials for producing new paper and other paper articles such as paper bags, paper toys, etc. In return, we brought these paper articles back to the community in the Chivathai residential project for use or handed them on to other communities.
- Cooperate with the Property Perfect Co., Ltd. to develop the "Green at Heart" project - Separating "Paper by Heart." The project started from separating used copy paper and used packaging from the Head Office and residential projects, then returning them



to the SCGP recycling process. The income obtained from this project was donated to Wat Phrabat Namphu to carry out activities that benefit society.

 Cooperate with Thailand Post Co., Ltd. to create a "reBOX Post Office" project to collect used paper packaging at every post office nationwide for returning to the recycling process. In return, SCGP produced paper table and



chair sets as 2021 New year's gift to young students of Border Patrol Police School.

 In 2020, more than 60 PaperX partners initiated 380 collection drop points and collected 150 tons of waste paper back to the recycling process.



**The Royal Rice,** Prepack Thailand Co., Ltd., an affiliate of SCGP, therefore, has incorporated packaging innovation to develop completely recyclable rice bags. It is a multi-layer film bag made from a single type of polyethylene (R1). It can reduce the bag thickness from 110 microns to 90 microns (18% reduction), reducing plastic resins and production power while maintaining the quality and strength to withstand the original standard of rice bags.

ANGEL Intelligent Warehouse Management System Developed from a successful start-up program within SCGP to be a digital platform for enhancing warehouse management efficiency; convenient, fast, accurate, and real-time checking. The system helps reduce the redundant inventory and the difficulty of tracking parcels or merchandise. Thus, it helps plan inventory reduction up to 10-15% of the original storage value before using the system, making available resources worthwhile and efficient.

In 2020, there were 45 factories in SCGP and SCG applying ANGEL Intelligent Warehouse Management System, covering raw material management, spare parts, and other supplies. Besides, it has been developed to a digitalized system to check the origin of the maintenance function orders that can reduce costs and increase machine maintenance efficiency.





Customers Experience

#### Target

of total customer satisfaction

#### 2020 Performance

80% of total customer

2 years)

satisfaction (Survey

results in 2019, conducted every



#### Strategy

- 1. Foster B2B collaboration, leading to stronger B2B2C.
- 2. Engage with the Consumer Group (B2C).



SCGP works closely with customers to deliver solutions that meet each customer's specific needs and everchanging consumer behavior with diverse requirements by providing a complete service cycle for their convenience and creatively creating good customer experiences.

# Technologies for the Convenience of Customers

SCGP applies digital technology to create solutions for customer convenience, higher productivity, rapid service speed, and human error protection. Highlight Work in 2020 such as:

- Use Optical Character Recognition (OCR) and Robotic Automation Process (RAP) technologies to read customer PO (PO) documents to generate sales orders (SO) in digital file format to proceed in the system, and eliminate unnecessary rework to reduce customer order cycle times.
- Develop and use Export Order Tracking (EOT) website for the export customer – group to be able to track the delivery status of exported goods in real-time.



- Siam Kraft Industry Co., Ltd. has developed the Payment Gateway website for customers to pay for products and services from their bank accounts, reducing the wasting time of doing transactions at the bank. Expected to be completed in 2021.
- The logistics automation systems, such as mobile application platforms for tracking customer products and automation for documenting transactions, are scheduled to be completed in 2021.
- Thai Paper Co.,Ltd. has initiated the e-commerce online channel www.festforfood.com specifically designed for the distribution of food safety packaging that is convenient for both buyer and user. Online payment gateway are utilized, whether it be credit cards or payment transfers, for both efficient and safe transactions.





#### **Customer Satisfaction Survey**

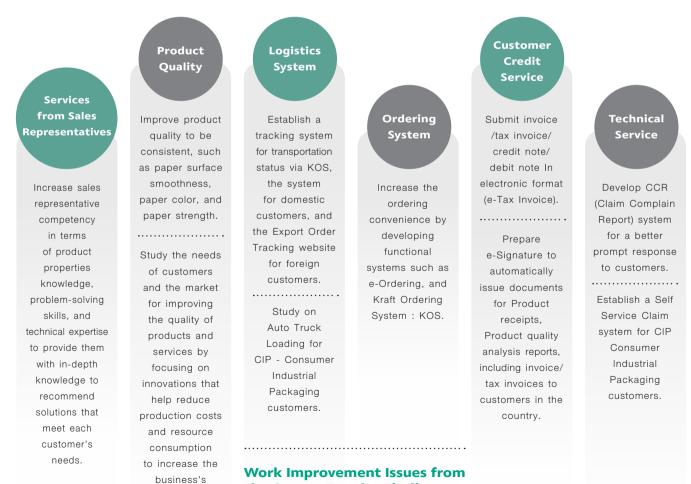
SCGP conducted a customer satisfaction survey by sampling customers covering all industry groups, both domestically and overseas. We allocated a number of sampling clients according to the proportion of their purchasing volumes, divided into three levels: Platinum, Gold, and Silver, to obtain information from all customers' levels. We specified the sample size at an acceptable standard deviation, not over 5%. The company's overall satisfaction in 2017 was 80%, 2019 was 80%. The next survey will be conducted in 2021.

#### **Developing Solutions for Food Industry Customers**

SCGP has collaborated with our customers to develop complete solutions for food packaging, starting from Flexible packaging for products packaging, carton packaging for product display, corrugated box packaging for shipping, and product labels. With a suitable material selection, beautiful design, high-quality printing, and manufacturing processes, we help enhance customer's brand image and reduce the redundancy and time in usual processes required communication with many affiliates of SCGP. Our collaboration strengthens the relationship and revenue for both businesses.

capabilities.





the Survey Results Findings

.....



SCGP's operations are involved with various business activities from production, services provider, transportation, together with the vital role of employees and contractors in the organization. Therefore, we pay great attention and strive to make every effort towards accident prevention with the ultimate goal of zero loss time accident by 2022 and zero fatality case of employees and contractors each of every year.

#### Workplace Health and Safety

SCGP emphasizes developing and upgrading the safety operational standards of its employees and contractors through various measures. Along with creating a safety culture that will be the guarantee of sustainable safety.

#### • SCG Safety Framework and SPAP

SCGP has consistently employed the SCG Occupational Health and Safety Management System (SCG Safety Framework) for its safety management, together with audit tools Safety Performance Assessment Program (SPAP). Also, focusing on being a safety leader and building a safety culture throughout the organization.



#### Target

Every Year
 D
 Fatality
 of Employees and
 Contractors

2022

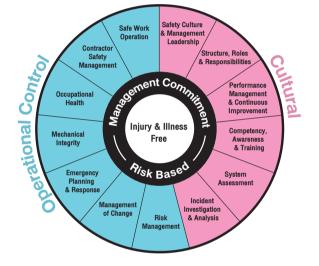
U Loss Time Injury Frequency Rate of Employees and Contractors

#### Strategy

- Raise safety awareness and promote behavior changed towards a safety culture.
- Encourage executives and/or supervisors to be safety leaders who care closely for employees and contractors.
- 3. Implement a safety management system to raise safety standards both domestic and overseas.
- 4. Develop digital technologies as a convenient and fast monitoring tool to reduce the risk of accidents.

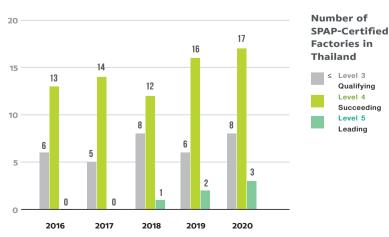
#### 2020 Performance

D<br/>caseFatality of Employees in the workplace<br/>Fatality of Contractors in the workplace<br/>Fatality of Direct Transportation Contractors<br/>Fatality of Other Transportation Contractors



Our implementations cover risk management and risk control, developing safety knowledge and competence for employees and contractors, health management, and holistic health promotion. In 2020, SCGP developed and upgraded the SCG Safety Framework to be more comprehensive and efficient.

In 2020, SCGP had SPAP - Certified factories: 8 factories at Level 3 or lower, 17 factories at Level 4, and 3 factories at Level 5.



Plants

Enhance Safety Leadership: Executives and supervisors must demonstrate their safety leadership and make themselves roles model for safety commitment by adhering to the SCGP guidelines such as the Leader Standard Work covering coaching, Leadership Line Walk, and safety performance visual board (Visualization) for safety performance monitoring, Safety Observation Program for employees to be aware of reducing the risk for themselves to institute a safety culture.



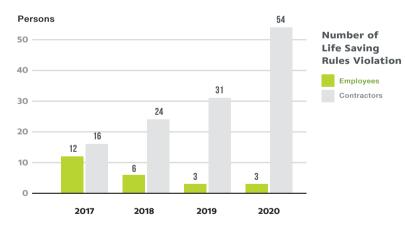
Safety leaders have to regularly communicate policies, directions, and concerns for all employees regarding occupational health and safety through Safety Communication activities. These efforts are aimed to create a safety culture awareness and mindset, through continuously enforcements of **"Thumbs Up"** personal safety vows.

• Contractor Safety Management (CSM) : SCGP has a Contractors Safety Management Committee to manage Contractors' safety; the selection process, practice control, Contractors' performance evaluation, including continued development of Contractors' potential in safety management in accordance with the SCG Contractor Safety Certification System.



**Enforce Life-Saving Rules :** In June 2017, SCGP announced 11 Life Saving Rules, with a mandatory mutual agreement for all companies, both domestics and overseas. As part of the employment contract, we will strictly enforce the penalty if there is a Life-Saving Rules violation. We have communicated to all employees and contractors for safe operating practices and have strictly monitored and supervised the site's operations. This is in addition to the continued

emphasis and strict monitoring from colleagues supervisors, and management which has Life Saving Rules reporting resulted in the comprehensive.



• **SAFEsave;** SCGP developed an innovative digital safety system, namely, SAFEsave, with advanced data analysis capabilities (Machine Learning), to alert danger in real-time and administer centralized databases instead of recording





data in paper to timely control risk. This innovative system's highlights are People Classification – to verify contractors to work with QR Code Scan, Inspect the restricted areas via CCTV, OHS database storage and reporting of safety information, and STOP program recording the unsafe behavioral safety, etc.



#### Transportation Safety

"Zero Road and Transportation Accident" has been SCGP's challenge that we continue to undertake by setting up "Transportation Safety Committee" for safety control compliant to Goods Transportation Safety and Road Safety Standards. We apply Driver Management System with safety supervision monitoring for goods transportation safety covering from before, during, and after transportation. Raise the standard of transportation contractors with the training of SCG from the SCG Skills Development School. Monitor transportation contractors' behavior under the Logistics Command Center of SCG Logistics with 24 hours-service a day to monitor all GPS-equipped trucks and alert transportation contractors when they are at risk of safety behavior, such as driving at excessive speed, parking on the roadside, driving over 4 consecutive hours, etc. We emphasize implementing these measures for ensuring the highest safety to all company transportation contractors, contractors, and the general public who used a shared route.



### Climate Resilience



#### Coping with global warming and climate change is a worldwide issue. International countries jointly set a goal to keep the global average temperature not higher than 1.5 degrees Celsius under the Paris Agreement. SCGP is determined to reduce greenhouse gas emissions and energy consumption by setting a clear target, taking measures to improve or modifying processes and equipment for higher energy efficiency, and increasing the proportion of renewable energy to reduce fossil fuel usage. Simultaneously, we apply many economic measures to support projects that can reduce greenhouse gas emissions.



#### Note:

- Data from 2007 (base year), as audited by SGS (Thailand) company Limited.
- 2. In 2007, there was a release of 2.66 tons of greenhouse gas, carbondioxide equivalent.

#### Target

Greenhouse Gas
 Emissions
 Beduction 2020

10%

2025 200%





compared with BAU at the base year of 2007

 Energy Consumption Reduction 2025

### 3%

compared with BAU at the base year of 2007

#### 2020 Performance

• Greenhouse Gas Emissions Reduction 12.8%

compared with BAU at the base year of 2007

Energy Consumption Reduction

D.3%

compared with BAU at the base year of 2007

#### Strategy

- 1. Increase the share of renewable energy and green energy in place of fossil fuels.
- 2. Improve or modify processes and equipment to increase higher energy efficiency.
- 3. Research and develop technology to achieve the Net Zero goal in 2050.
- Develop products, services, and solutions that reduce greenhouse gas emissions throughout the value chain.
- 5. Apply economic tools to promote the reduction of greenhouse gas emissions.
- 6. Plant and restore terrestrial forest to increase biodiversity and be a source of carbon dioxide absorption.
- 7. Organize activities to raise energy conservation awareness and climate response for employees and business partners.



#### **Promote Renewable Energy Utilization**

SCGP continuously uses renewable energy such as solar energy, biogas and electricity production from waste materials or left-over residue from the production process.

- Expand Solar Roof project to factories in Siam Containers Co., Ltd., Group, Thai Containers Rayong Co., Ltd. and Thai Containers Khon Kaen Co., Ltd., with a combined capacity of 4.6 megawatts, saving 24,148 gigajoules per year and reducing greenhouse gas emissions by 3,899 tons of carbon dioxide per year.
- Purchase sugarcane leaves and rice straws as an alternative fuel reduces agricultural materials' incineration, which causes air pollution, PM2.5, and global warming. SCGP has purchased biomass from the local sugarcane farmers in Kanchanaburi, Ratchaburi,



Suphanburi, and Phetchaburi Provinces, for use as an alternative fuel in power plants since the end of 2020. We aim to reduce greenhouse gas emissions by around 3,000 tons of carbon dioxide per year and help generate income for farmers.





#### Energy Conservation Commitment

In 2020, SCGP improved and modified production process equipment to increase energy efficiency, resulting in energy consumption reduction by 149,646 gigajoules per year and greenhouse gas emissions reduction by 25,228 tons of carbon dioxide per year.

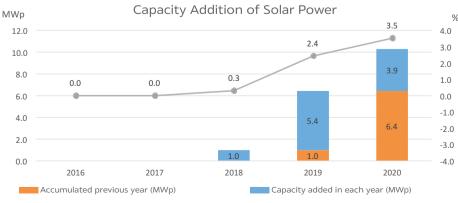


As the result of the strong determination in energy conservation of Siam Kraft Industry Co., Ltd., Wang Sala Factory, the Company could reduce energy consumption from electricity and steam generation processes by 946,884 gigajoules and from paper production processes 132,803 gigajoules for two-year operations (2018-2019). Also, the Company received the Prime Minister's Industry Award 2020 - the Outstanding Industry Award in the Power Management Category.



#### Biogas Production Project Following Internal Carbon Pricing Regime

In 2020 SCGP were studying a joint-project, Biogas from wastewater treatment at Thai Cane Paper Public Company Limited, Kanchanaburi plant with SCG Paper Energy Co., Ltd.'s collaboration. As a result of a project study and the internal carbon pricing regime, this project has helped reduce greenhouse gas emissions by 13,200 tons of carbon dioxide per year, worth the US\$ 237,600 of carbon.



 Efforts towards processing industrial waste, particularly plastic waste, into alternative energy that is reused in the production process. As a result, SCG Paper Energy Company Limited has generated revenue and reduced its electrical expense by 43 million baht in 2020, while received recognition and awards with its energy renewable program "Thermal Recycling Plant : Energy Value from Paper Mill Waste Reject", at the SCG Energy Award 2020.



#### Natural Climate Solutions (NCS)



SCGP have adopted the NCS concept,

which uses natural forests as the source for carbon dioxide absorption and storage to solve the problem of climate changer to achieve the goal of reducing greenhouse gas emissions. They established a Natural Climate Solutions working group in 2019, responsible for developing a plan for afforestation and forest conservation, collaborating with the government, NGOs, and communities, along with developing the natural carbon absorption assessment as a future International Standard Guide (Protocol).



In 2020, SCGP undertook a project to restore and conserve nature, planting forests both internal and external factories areas in Kamphaeng Phet,

Khon Kaen, Kanchanaburi, Ratchaburi, and Prachinburi Provinces, with a total of 74,097 plants, helping to absorb about 704 tons of carbon dioxide. The Company also cooperated with local communities to restore watershed forests by constructing more than 687 dams.

----Portion of solar on electricity consumption (%)





Climate change is a volatile challenge that directly impacts water resource management every year. Examples are unseasonal and erratic rainfall patterns, no rains at the headwater area, and droughts, depleted water volume in dams. Moreover, the increasing future demand for water consumption in all geographical areas and sectors creates a risk of water shortage in the manufacturing process, which might cause water usage conflicts with other sectors. SCGP, therefore, leverages the capability to manage integrated water resource management with government and industrial sectors. Efforts include developing water storage facilities within the factory area, Increasing water usage efficiency, and using recycled water after treatment following the 3R's principle.



#### Target

Reduce water
 withdrawal



within 2025 compared with business as usual (BAU) at the base year of 2014

#### 2020 Performance

 Reduction in water withdrawal by

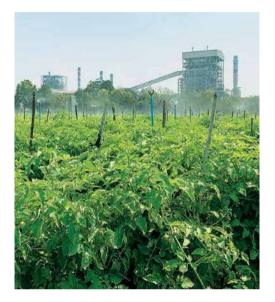
> 16.8% compared with Business as Usual (BAU) at the base year of 2014

• The proportion of recycled water

14.1%

#### Strategy

- 1. Water related risk mitigation through integrated water resources management.
- 2. Increase water usage efficiency in production processes and products.
- 3. Bring the recycled water after treatment to be used.
- 4. Capability building of the person who involves in water management.
- 5. Rehabilitate the ecosystems related to water sources, and support water to communities and agriculture.



#### Follow up the Trend of Water Situation in 2020

At the beginning of the year 2020, Thailand's overall water situation was most likely a water shortage crisis. SCGP closely followed up the water situation trend by participating in the Water situation Monitoring and Analysis – Subcommittee meeting. The Subcommittee comprised the delegates from the Royal Irrigation Department and other related entities such as the Office of the National Water Resources, Water Resources Informatics Institute (Public Organization), Electricity Generating Authority of Thailand, etc., and also the Irrigation Office 1-17 of which responsibility covering various areas across the country. We jointly analyzed the water situation in different parts of the country at the national level every week.

Besides, SCGP has Business Continuity Management (BCM) function responsible for monitoring the water situations in all factories' operating areas. By defining measures to prevent water shortage with factories daily, using a digital system, they can report the drought, affecting the accumulated rainfall in some areas below the usual standard, especially the factories posing the risk of water shortage in Khon Kaen Province.

In 2020, though the overall country had seriously been concerned about water shortages in some areas, the area where SCGP operates had no problem of lacking water or water resource conflict with other stakeholders. SCGP relentlessly continues the water usage reduction measure in the factory by preparing the water reserve pond and bringing the recycled water after treatment to be used regularly in the production process.

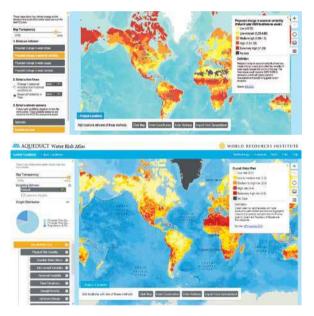
#### Water Stress Assessment with Internationally Accepted Tools.

SCGP assesses the water situation by using internationally accepted tools for constructing the preparedness plan for response to two crises: flood occurrence and drought severity. For efficient and sustainable water resource management at the national level, we collaborate with all sectors; the public, private, and community and applying the following tools for water stress assessment forecasting:

• WRI AQUEDUCT The company utilizes to Water Risk Atlas, a risk management tool of the World Water Resources Institute (WRI), to assess

the water stress in the area where SCGP operates throughout the ASEAN. Integrating AQUEDUCT's data with the Water-related risk Assessment from local data sets regarding quantity and quality, legal aspects, water price structure, and the conflict with communities on the water, including the Scenario Analysis and government agencies' information, we can determine water management measures. Moreover, by consistently observing a systematic overview of the water situation according to the watershed conditions from upstream to downstream, linking to many provinces, we can assess water stress situations covering all areas of risk with accuracy.

• Satellite imagery of GISTDA - Geo-Informatics and Space Technology Development Agency (Public Company). We use data from GISTDA satellites to track the cultivation activities of the country's main economic crops; rice, corn, cassava, and sugarcane. The data is divided into four phases from the beginning of cultivation to the Harvest are followings: Growing is the time the plant starts growing and growing gradually, Maturing is the time the plant matures and is ready to be harvested, Harvest is the time when the crop is ready for harvesting, and Nothing (no cultivation) is the time the land is empty waiting for the next planting season. By doing so, SCGP can access the farmers' water consumption in each cultivation phase, thus, we can effectively manage water usage in each area.



Water Level Monitoring and Surveillance System by Using

AQUEDUCT

POWER BI (API) Program We use the POWER BI (API) Program in the Water Level Monitoring and Surveillance System. It quickly helps analyze and summarize big data from multiple data sources to obtain accurate and fast information for correct and precise water management decisions on time. We integrate various helpful data for analyzing the Early warning system (EWS) and monitoring the water situation from the Roval Irrigation Department. Pollution Control Department, and the Meteorological Department containing

meteorological information such as rainfall, temperature, relative humidity, etc. and also the following information: Amount of water and water levels in the dam: the Amount of water entering the water discharge of both large and medium reservoirs nationwide and the Amount of water and water levels in the basin: water flowing into rivers, canals, weirs, and sea. The information shown is in both actual measurements and prediction formats.

#### **Increase Water Usage Efficiency Following 3R's Principle**

SCGP has increased water use efficiency for maximum benefit according to the 3R's principle and expanded the results to various factories in the SCGP group. Our water consumption was 1.1 million cubic meters compared to the regular use at the base year 2014, such as The Paper mill of Phoenix Pulp and Paper Public Company Limited has released the treated wastewater to cultivate Siam Forestry Company's eucalyptus seedlings. Thus, the Company can reduce surface water consumption by 400,000 cubic meters per year approximately.

Ban Pong factory has also used treated wastewater for cleaning and rinsing high-pressure nozzles. Thus, the factory can minimize water withdrawal usage by 3.5 million cubic meters per year. Furthermore, by upgrading water filter technology to obtain a better quality of reused water and filtered fiber recovery to the next production's papermaking process since 2018, the factory can reduce water usage by 1.1 million cubic meters per year from this implementation.

#### Water Consumption in 2020



The percentage of water withdrawal usage

Underground water

**68**% Surface water

**31**% Tap water

%



 The amount of water withdrawal usage to sales revenue



million cubic meters per billion baht



 Promoted water reuse by distributing the treated wastewater to the agricultural area accounted for

> 4 million cubic meters on





 Supported the community's afforestation activities and constructed

687 check dams.



### Forestry and Biodiversity



SCGP has strong determination to maintain the ecosystem's balance by managing biodiversity and ecosystems according to the community's sustainability and conservation. We have been applying international indicators to benchmark our operations, intending to be a role model in biodiversity conservation.

#### Target

Having biodiversity
 conservation area certified
 by FSC<sup>TM</sup> (License code
 FSC<sup>TM</sup>-C135609) standard of at least

10% of agroforestry area.

#### 2020 Performance

Having biodiversity conservation area certified by FSC<sup>TM</sup> standard of 6,029 rai, equivalent to

// %

of agroforestry area.

#### Strategy

- 1. Sustainable management of biodiversity benchmarked to international indicators.
- 2. Be a role model of biodiversity conservation and extend the effort to other areas.
- 3. Engage communities and stakeholders on the cause of biodiversity conservation.
- Manage the use of community forest areas with participation under the principles of the Community Forest Areas.



#### **Eucalyptus Plantation**

In 2020, SCGP had an agroforestry area for eucalyptus cultivation used in the pulping process of 43,430 rai. The area utilized for forest cultivation is not in or adjacent to areas of national forest conservations or biodiversity.



2015

With an area of 9,200 rai, SCGP's Kamphaeng Phet Forest Park received the FSC<sup>TM</sup> - FM Sustainable Forest Management Certification regarding allocating and overseeing 948 rai for biodiversity and ecosystem conservation zone (10.3% of the total area). 2017-2018

Expanded the FSC<sup>TM</sup> - FM Sustainable Forest Management Certification Area throughout the country regarding overseeing 6,029 rai of biodiversity and ecosystem conservation zone (22.0% of the total area).



Pathway of SCGP's Commitment to Biodiversity Acreage Conservation and Ecosystems

### 2016

The 13,975 rai of afforestation areas in Kanchanaburi, Ratchaburi, Petchaburi, and Kamphaeng Phet were awarded the FSC<sup>TM</sup> - SLIMF Group Sustainable. Forest Management Certification regarding allocating and overseeing 2,250 rai of biodiversity and ecosystem conservation zone (16.1% of the total area). 2018

Announcement of Biodiversity Conservation Policy



#### Management under the FSC<sup>™</sup> (License Code FSC<sup>™</sup>-C135609) System

FSC<sup>TM</sup> or Forest Stewardship Council<sup>TM</sup> has an objective to avoid mixing wood from unwanted sources in the five categories listed below:

- 1. Illegally harvested wood
- Wood harvested in violation of traditional or civil rights
- Wood harvested from forests in which management activities threaten high conservation values
- Wood harvested from areas converted from forests and other wooded ecosystems to plantations or non-forest uses
- Wood from forests in which genetically modified (GM) trees is planted.

From mid-2020, SCGP has required Eucalyptus wood to the factory, both logs from timber farmers and chopped wood from the chopping mill timber. They must be compliant with the FSC<sup>TM</sup> management system, and we could obtain approximately 2 million tons/ year.



The community forest of Huay Saphan Samakee in Kanchanaburi and Kamphaeng Phet wood garden in Kamphaeng Phet Province are agroforestry areas compliant with the FSC<sup>TM</sup> standard of SCGP, covering an area of 2,100 rai and 923 rai, respectively. The results of the biodiversity study in 2020 found that the Huay Saphan Samakee community forest had a plant diversity index at a moderate level, and the Kamphaeng Phet wood garden was at a high level.

	The Community Forest of Huay Saphan Samakee	Kamphaeng Phet Forest Park
Type of Trees	65 species, 51 genera, 27 families	101 species, 77 genera, 33 families
Biodiversity Index of Trees (Shannon-Weiner Diversity Index, H')	2.88 (moderate)	3.66 (high)
Type of Animals	81 species	103 species
<ul> <li>Mammals, Reptiles</li> <li>Amphibians</li> </ul>	48 species	47 species
• Birds	33 species	56 species





### 2019-2020

Obtained FSC<sup>TM</sup> certification in wood purchased from general agriculture to ensure 100% utilization of plantation trees without illegally harvesting from invaded areas or protecting natural forests.

# 2020

Declared our intention to join the Forest Stewardship Council<sup>TM</sup> (FSC<sup>TM</sup>) network.

### 2020-2025

Set targets to expand the FSC<sup>TM</sup> - FM sustainable plantation management certification accumulating 250,000 rai or 30% of wood consumption. And allocate a total of 25,000 rai of biodiversity and ecosystem conservation zone.

### 2021-2022

Establish plant and animal genetic conservation resources according to the IUCN list to restore and conserve biodiversity and ecosystems in the area of 948 rai of Kamphaeng Phet Forest Park.

### 2021

Store and propagate native species or endangered plants according to the IUCN list with appropriate propagation technology to restore and conserve biodiversity and ecosystems in conservation forest areas.

### 2021 -2022

Establish a Learning and Coordinating Center for biodiversity and ecosystem conservation to build up knowledge and to network on and biodiversity and ecosystem conservation and restoration.



### Supply Chain Stewardship



The business partner is a crucial part of SCGP's sustainability value chain, including manufacturers, service providers, and distributors. Therefore, their operational risks and reputational risks may impact or interrupt SCGP's business operations, from ethical conduct, legal compliance, environmental friendliness, including accident and safety. SCGP carefully selects business partners and creates partnerships to enhance their potential for mutual sustainability growth.

#### Target

- of procurement value from suppliers who committed to complying with the SCGP Supplier Code of Conduct
- of suppliers in Procurement pass the Environmental, Social, and Governance (ESG) Risk Assessment
- $\underset{\text{of contractors in}}{100\%}$

the production process certified under SCG Contractor Certification System or SCS

#### 2020 Performance

of procurement value from suppliers committed to complying with the SCGP Supplier Code of Conduct

100%

of suppliers in Procurement pass the Environmental, Social, and Governance (ESG) Risk Assessment

#### Strategy

- Select and assess supplier with capability in sustainable business conduct.
- 2. Conduct risk assessment and supplier segmentation to formulate strategy and supplier development plan corresponding with the risks.
- 3. Develop and advance supplier's capability towards sustainability.
- 4. Raise awareness and enhance employee's competency for efficient procurement.

#### Management

- Conduct risk assessment and certify all suppliers annually and continually, applying enterprise risk management framework covering environmental, Social, and Governance issues and spend analysis.
- Segment supplier into 4 groups: general tier 1 supplier; critical supplier; high potential sustainability (ESG) risk supplier and critical non-tier 1 supplier.
- 3. Formulate supplier development and capability enhancement plan for consistency and efficiency.
- 4. Establish a supply chain partner development committee to formulate strategies and plans at business-level in line with the sustainable business partner development approach and promote training of business partners in accordance with sustainable development guidelines.



95% of suppliers in the production process certified under SCG Contractor Certification System (SCS)



#### **Collaboration with Suppliers to Enhance Safety Standards**

SCGP has adopted Road Safety and Goods Transportation Safety standards to raise transportation contractors' safety standards using road vehicles and cargo. They must pass all relevant standard assessments with an assessment score higher than 80% to pass, namely organization management, driver, fleet and route management, and emergency response. Transportation contractors must.

However, SCGP provided them with a training program on Goods Transportation Safety to verify preparedness and comply with the standards.

According to the New Normal Life, during the COVID-19 Coronavirus epidemic, SCGP had adjusted the transportation safety standard audit from on-site to online mode.



#### **Sustainable Procurement**

The ratio of procurement spend on green procurement products in 2020 is 17% of total procurement spend.



#### **Employees and Suppliers Development**

There are various risks for suppliers in their operations, coupled with restrictions to comply with SCGP's Corporate Governance conduct and relevant laws and regulations to govern business with transparency and fairness. Thus, SCGP held training sessions targeting employees and suppliers to realize SCGP's policies and

essential rules and regulations. SCGP has provided knowledge on anti-corruption laws, Circular Economy principle, etc. Training and safety communication in various activities such as workshops, seminars, and exhibitions of safety knowledge, expecting our business partners to turn all knowledge into real actions. We also grant a safety award for business partners as an excellent exemplar to inspire other business partners to develop a safety management system.



#### **Sustainable Procurement Framework**

SCGP has set a plan to organize the training on the **"SCGP Sustainable Procurement Framework"** for employees involved in 2021. The training aims to enable SCGP affiliates to use the Sustainable Procurement framework as a guideline for cooperation with suppliers, including the risk management process covering economic, environmental, social, and governance to enhance work efficiency and mutual value with suppliers in the long term.

#### Supplier Selection and Supplier Assessment

In the Supplier Selection and Supplier Assessment processes, SCGP has established its principles and procedures, taking into account the various operational business impacts of First Tier suppliers, including the Second-tier suppliers in the transportation service. The assessment criteria are in three aspects: Environment, Social, and Governance.

In 2020 SCGP had assessed 100% of suppliers, of which 37% conducting on-site and 63% self-assessment to reduce the risk of the COVID-19 outbreak.





#### **Four Groups of Suppliers**

#### General Tier 1 Suppliers:

#### General Tier 1 Suppliers

refer to manufacturers and distributors of products and services that do business directly to SCGP.

#### High Potential Sustainability (ESG) Risk Suppliers:

#### High Potential Sustainability (ESG) Risk Suppliers

refer to manufacturers and distributors that are likely to cause adverse impacts from their improper operations in the social (e.g., human rights, Employee and labor care, environment (e.g., waste management), and governance (e.g., legal compliance) aspects.

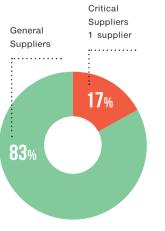
#### Critical Suppliers:

Critical Suppliers refer to manufacturers and distributors of products and services that are significant to SCGP's business operations, such as high purchasing volume, critical components, or non-substitutable products.

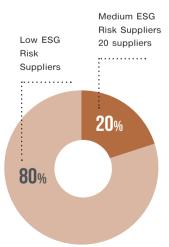
#### Critical Non-tier 1 Suppliers:

Critical Non-tier 1 Suppliers (SCGP manages them through General Tier 1 Suppliers' control) refer to manufacturers and distributors of products and services that do not do business directly to SCGP but deal with products services that are important to SCGP's Critical Suppliers.

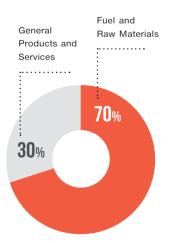
#### The Ratio of Procurement Spend on Products and Services by Group of Suppliers in 2020



#### The Ratio of Procurement Spend of High Potential Sustainability Risk Suppliers in 2020



#### The Ratio of Procurement Spend on Products and Services by Category in 2020



#### Supplier Governance and Enhance towards Sustainability

	Strategy	Implementation	Measurement	2018	2019	2020	Target
	Select and assess suppliers with the capability for sustainable business.	Evaluate vendors in terms of quality, cost, and delivery (QCD Supplier Evaluation).	Evaluate suppliers under Approved Vendor List (AVL) with vendor evaluation (QCD Supplier Evaluation).	100%	100%	100%	100% of suppliers under Approved Vendor List (AVL) receive vendor evaluation (QCD Supplier Evaluation).
Economic	Assess risks and classify suppliers into groups in order to frame	Conduct a supplier assessment program and segmentation of critical suppliers with a systematic approach.	Assess and classify critical suppliers.	18% procurement spend	17% procurement spend	14% procurement spend	
	strategies and supplier development plan corresponding with the risks.	Conduct sustainability risk assessment and supplier segmentation since 2018.	Assess sustainability risks (ESG Risk).	100% procurement spend	100% procurement spend	100% procurement spend	100% suppliers of the procurement spend pass the annual ESG risk assessment every year
Environment	Develop and enhance supplier's capability	Promote and audit suppliers for registration in the Green Procurement List.     Purchase products and services according to the Green Procurement List.	Green Procurement and products on the Green Procurement List.	5,806 million baht 14 products	4,363 million baht 14 products	4,790 million baht 14 products	
	towards sustainability.	Promote and support suppliers to participate in the assessment of Green Industry (GI).	Suppliers achieve the Green Industry Level 2 certification	33 suppliers	41 suppliers	66 suppliers	
		Raise awareness and behavioral	Operation contractors certified under Contractor Safety Certification System (SCS)	69%	58%	95%	100%Operation contractors certified under Contractor Safety Certification System
Social	Develop and enhance supplier's capability towards	change to create safety culture. Use safety management system to uplift contractors safety standard	Major transportation contractors certified under Fleet Carriers Standards.	N/A	87%	100%	100% major transportation contractors certified under Fleet Carriers Standards.
	sustainability.	Having contractors informed and signed for Life Saving Rules in every access for work.	Lost Time Injury Frequency Rate (LTIFR) for contractors.	0.706 case/ 1,000,000 hours worked	0.678 case/ 1,000,000 hours worked	0.296 case/ 1,000,000 hours worked	Lost Time Injury Frequency Rate in 2019 was 0.235 and 2020 was 0.165 respectively and target for zero by 2022
Governance	Select and assess suppliers with the capability for sustainable business.	Conduct following to Supplier Code of Conduct Supervising new and main suppliers to commit to comply SCGP Supplier Code of Conduct.	Suppliers committed to comply with SCGP Supplier Code of Conduct.	N/A	90% procurement spend	90% procurement spend	90% of the procurement spend comes from suppliers who commit to comply with SCGP Supplier Code of Conduct by 2020

# Employee Caring and Development



SCGP realizes the rapid change in the fierce competition in today's business and diverse demand of customer needs. The Company, therefore, strives to develop employee competency to cope with current and future changes. Focusing on digital learning and self-learning promotes lifelong learning, so our employees can enrich their new knowledge and skills promptly responding to rapid change.

#### Target

• In 2022, all

### 100%

of the employees in Thailand will be given the Competency Assessment with Individual Development Plan (IDP) under the Learning Management System (LMS) continuously

**In 2022,** the Employee Engagement rate is greater than

# 80%

based on the total number of domestic employees.

#### 2020 Performance

 The expense of employee -Training and Development in both domestic and overseas accounted for

172 million baht. The average training

days of domestic and overseas workforces accounted for

# 2 days/employee (excluded E-learning).

 The Employee Engagement Rate in Thailand is

80%



#### Strategy

- Construct a learning and coaching culture that the employees are responsible for their self-learning and self-development, with their supervisors as supporters.
- 2. Enhance the employee competencies to meet the Company's competitiveness and develop leaders to have attitudes, knowledge, and abilities to build and empower their subordinates to be SCGP's essential workforces.
- 3. Provide a fundamental learning system using the Learning Management System (LMS) of the same quality and standard entire the region and learning in the form of a digital classroom.
- 4. Create corporate value to attract talent and competent prospective employees.
- 5. Ensure that employee caring is thoroughly equitable to create a bond with the organization.



#### **Employee Development to Support Business Expansion**

SCGP's employee development framework is an integrated system of the Competency Development Program, the Performance Management System (PMS), and SCGP Excellence Training Center – (SPEC) to equip employees with the skills and competencies ready for their careers growth. There are many approaches to improve employees' continuous learning.

• Enhance Blended - Learning Encourage employees to have self-study with educational materials interacting with a digital platform, action learning, experiential learning, then apply all knowledge into real practice forvarious organizational projects so-called, Project-Based Learning.

- Foster Continuous Improvement Culture Enable employees at all levels to apply scientific concepts with data analysis for systematically solving problems, such as the Black Belt Development Program for supervisors and the JH Shi Development Program for the operators in the production line.
- Develop Courses on Data Science and Digital literacy such as Data Visualization, Data Query, Big Data, Machine Learning, Internet of Things (IOT), Structured Query Language (SQL), etc., to prepare employees ready to apply digital technology to work and develop innovation.
- Enhance Business Knowledge Content and Business Perspectives such as Design Thinking and Agile Mindset to develop various learning activities courses to ensure that employees understand SCGP's business operations to meet the customer's needs.



#### Adaptation of Human Resources Management

SCGP has improved its Human Resource Management in anticipation of changes in both the business model and the new generation's behavior. And strive to create corporate value continually.

- Adjust employee recruitment and selection, SCGP has increased recruiting mid-career people with experiences and expertise in new future business or the expertise that organization lacks.
- Research on other recruitment models to seek skilled employees to meet business needs in line with the labor market trends that the young generation needs flexibility in working under the Flexible Hiring Scheme.
- Foster Growth from Within Policy, SCGP focuses on developing employees at all levels to advance in their careers. Along with the development of capability in line with the job-assignment to promote employee and organization engagement.
- Prepare Key Talents by expanding the Talent Management scope to cover employees at Junior Management and Senior Management levels, which are recognized SCGP's critical positions.
- Support Scholarship for Master Degree and Doctoral Degree to enable employees to develop potential in their own field of expertise or Business Administration, which will maximize the organization's value.
- Apply the IBE (Integrated Business Excellence) approach for raising organizational efficiency to achieve sustainable growth. By focusing on communication between supervisors and employees to create a clear understanding of shared organizational goals, creating employees' involvement as business drivers, understanding the integration of all functions' working process, continuous work improvement, and systematic management with concrete measurements.

#### **Organization Commitment Survey**

SCGP has surveyed employees' organization commitment both in Thailand and In the countries where SCGP has business operations. With the collaboration with Kincentric, a global consulting company specializing in Corporate Engagement and Outstanding Employer, we conduct the survey every two years to take the survey result seriously in action before reconducting the next survey.

The recent survey results in 2020 show that 80% of all respondent employees are of organizational commitment. The overall score was 6% higher than the previous one in 2018.



>> Employees in Thailand with organization commitment accounted for

# 80%

of all respondent employees in Thailand. >> The percentage of 8,518 respondent employees out of 8,736 employees accounted for Number of employees with organization commitment is 6,813 people.





SCGP is

0/1

Low

High





Human Rights



SCGP places the most importance on human rights practices across the supply chain to ensure that all stakeholders are treated equitably, fairly, and with dignity and respect in accordance with the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact(UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGP), the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and SCG Human Rights Policy.

#### Target

Being a role model in human rights, both directly and indirectly through business activities, by providing support and encouraging suppliers in the value chain and joint-ventures to recognize, protect, and respect human rights in their business operations.

# 100%

- of identified risks are well - managed through mitigation, preventive plans and remediation actions.
- Zero Case of human rights violation

#### Strategy

- Comply with "SCGP Human Rights Policy" and the laws of each country and or a treaty that each country has its obligations
- 2. Consistently implement the Human Rights Due Diligence Process.



#### 2020 Performance

- 0 case of human rights violation
- Female employees
   accounted for

17.5% of all employees and 20.6% of all managerial level  Supported people with disabilities by hiring 17 people as permanent employees and promoted 51 people to pursue self-employment in their local communities.



#### SCPG joined the SEDEX

The Sedex Members Ethical Trade Audit (SEDEX) is a global organization whose members are business organizations worldwide. It requires all members to comply with SEDEX standards in four areas; labor standards, health and safety, business ethics and environment applicable to the members' operations and business partners.

In 2019, six companies in SCGP both in domestic and overseas, implemented SEDEX's regulations. Having been assessed by external auditors, these six companies were accepted, SEDEX members, reflecting SCGP's unwavering commitment to human rights.

>> In 2020 five companies in SCGP had been assessed by external auditors, these five companies were accepted, SEDEX members, 5 companies of SCGP became members of SEDEX





#### **Ethics e-Testing**

SCGP organized Ethic e-Testing to all Thai employees to test their knowledge and understanding of the various ethics and human rights aspects; human rights and labor, environment, health and safety, anti-corruption, and trade competition, anti-money laundering. The testing objective is to raise awareness of these issues among employees and to prevent a potential violation. All employees are required to pass the test by 100%.

2020 is the sixth year that SCGP has continually conducted the ethics test for its employees.

>> 6,380 Thai employees took ethic e-testing, and the passing rate was 100% score.



#### **Supporting Community**

SCGP takes into account the human rights risks to the community. We have been carefully doing business by preventing the business impact on the community, regularly conducting opinion survey, and attentively listening to their voices. We create activities or projects that respond to their real needs to raise the quality of life by active involvement in community activities.

In 2020, SCGP supported the Lao Vieng ethnic community at Ban Kong Noi, Ban Pong District, Ratchaburi Province, located within four kilometres from the factories. We provided them with a study tour for gaining knowledge back to develop their community, learning experiences how to maintain and make their tradition and culture known to the public and joining other activities organized by many sectors, such as attending a simulation of the Royal Barge Procession of the "National Institutes Protection Project" on the auspicious coronation of His Majesty The King Phra Wachiraklao Chao Yu Hua, according to the royal tradition.

Besides, SCGP joined as an advisor to the Community Committee to raise the Ban Kong Noi as an OTOP tourism community, so-called Nawatwithi Ban Kong Noi, New Landmark of Ratchaburi. People in the community earned more income from selling local products and food to tourists.



Community Engagement and Development

#### Target

Community Satisfaction Index



90% Community Satisfaction Index



#### Strategy

- 1. Utilize both internal and external specialization to support society.
- 2. Foster employee involvement with relevant stakeholders in all sectors to create sustainable value for society.
- 3. Develop innovation that responds to the needs of the community and solves social issues.
- 4. Develop a community model and expand the model achievement to other community networks.

1 <sup>№</sup> Ř¥ŤŤŤ	4 EDUCATION	6 CLEAN WATER AND SANITATION
11 SUSTAINABLE CITIES	15 UFE ON LAND	

SCGP adheres to conduct socially responsible business together with community and social development for sustainability. We begin with building awareness and fostering community involvement to increase self-reliance capability, utilize SCGP's knowledge and expertise, including collaborations with other sectors to support community development.



S

#### **Community Satisfaction Survey**

SCGP has regularly conducted a community satisfaction survey in 6 dimensions: economic, environmental, social, physical, management, and public relations in the communities nearby five factories located in Ratchaburi, Kanchanaburi, Prachinburi, and Khon Kaen Provinces. The survey result is analyzed to construct an activity plan that responds to the community's needs effectively.

The result of the community satisfaction survey was 90% in 2020, the index increasing year by year, compared with businessas-usual at the base year in 2016 at 52%.

SCGP enhances skills and knowledge development for employees working on community-relations activities. We organize learning activities by sharing working experiences among different factories resulting in idea exchange and increase their social activities performances. The community-relations employees have to submit the activity report to The Community relations Committee for consideration every month.



#### **Circular Economy Project**

• Ban Pong - Circular Economy Community Project Since 2015, SCGP has regularly promoted Ban Rang Plub Sub-District of Ban Pong District, Ratchaburi Province, as a community model of effective municipal waste management following Circular Economy principles. SCGP has



expanded the achievement to the whole Ban Pong District so-called "Ban Pong Circular Economy Community Model." Up to 2020, there are 41 waste-free communities, and SCGP aims to replicate the successful model to complete all 183 Communities of Ban Pong District by 2022.

#### • Used paper for New paper

In collaboration with government agencies and educational institutes surrounding factories in Ratchaburi, Kanchanaburi, and Prachinburi Provinces,

SCGP initiated a program for exchanging the paper scraps in their offices with new copier paper and returned them to



the recycling process. As a result, we could jointly build environmental awareness of waste elimination with the community.

In 2020 The number of government agencies and educational institutes joining this project was 4 Units. The quantity of used paper to the recycling process was 10 tons

 Municipal waste management project with Business Partners In cooperation with close-consumer business partners in the Property Management and Logistic groups, Sansiri, Chewathai, Property Perfect, and Thailand Post, we jointly promoted waste prevention at the source, a "collect and recycling"



operation. We achieved in turning paper scraps and used packaging into resources, a raw material in our production, for example, paper tables and paper chairs.

# Social development and community quality of life development projects

 Further actions on social responsibility we have used "We Are Greeners", a social media platform since 2015. We use it as a focal point between the green consumer and green producer. The platform has helped increase a new distribution channel for entrepreneurs



and publicize health products, resulting in generating income for the communities.

# Economic projects: Career support and community income

#### "Green Mart - Green Market"

project Following the concept of "Green-hearted community" since 2015, we have helped generate income for the people living nearby factories by building a Social Enterprise entrepreneur network and finding new distribution channels to expand the community product markets

 The Merit Building - Classroom for Learning towards Food Security

The project objective was to enable communities to support themselves and their families by providing them with agricultural knowledge for sustainability, such as: growing suitable crops in severe drought, using special effects to prevent pests, growing a wide variety of crops instead of monocultures to maintain soil fertility, making capsules for cultivating plants, seedlings, etc. The project helped secure food sources for each family and then expanded the results to be a primary or additional occupation for a better quality of life. In the year 2020, No. of Participating communities = 41 units

 Promote career and income for local communities

We support the communities in the vicinity of the factories to generate household income for sustainable living, firstly providing them with skill- training on weaving handicrafts of Paper Band; waste material from the papermaking process. We have also created a channel of distribution for product promotion to the right market. The handy craft products are in various forms, such as bags, baskets, and decorations. This project has created value to waste materials and to develop the community economy.



#### **Environmental and Community Natural Preservation Project**

#### Water Conservation: From Mountain to the Mighty River

To commemorate the 68<sup>th</sup> birthday of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua on 28 July 2020, SCGP continued the water management project following royal initiatives. SCGP joined forces with the



9<sup>th</sup> Infantry Brigade to construct 268 check dams in Kanchanaburi to restore moisture to the forest and increase community income.

Reforestation mitigating Global Warming in honor of King Rama 10

In gratitude of the great kindness, SCGP joined public sectors, and nearby communities grew around 37,800 trees all through the year 2020 to commemorate the 68<sup>th</sup> birthday of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua on 28 July 2020.



Management



SCGP manages elimination of pollutants, and industrial waste according to 3R's (Reduce, Reuse, Recycle) and Circular Economy principles. We continuously improve, upgrade the production process and develop research and innovation to maximize pollutants and waste reductions throughout the supply chain. We also recycle the production waste as raw materials and waste-to-alternative fuel, also convert to value-added products. Therefore, we can reduce the use of raw materials from natural resources and minimize the impacts on the environment and society.

# Create Value Added to Industrial Waste.

SCGP has been emphasizing on conducted research and development (R&D) to add value to waste. By turning waste into value-added products, we can minimize waste disposal, reduce the cost of waste management, and help the communities surrounding the factories earn household income and benefit to their society.



#### Target

- Every Year
  - waste from production process to landfill
- 2025
  - 92%
  - reduction of waste per ton production incinerated without energy recovery, compared with the base year of 2014

#### 2020 Performance

compared with the base year of 2014

- 0.77 tons of waste from the production process to landfill
- . 99.6%

#### Strategy

- 1. Reduce waste generation at the source.
- Strive to manage industrial waste according to the 3R's and Circular Economy principles, both hazardous and non-hazardous waste at maximum within SCG and SCGP.
- 3. Research and develop innovation to reuse raw materials and recycle waste.
- 4. Create value to waste by converting them to value-added products.

reduction of waste per ton production incinerated without energy recovery,



Transform Fly Ash and Bottom Ash to Construction Blocks Thai Cane Paper Public Company Limited's factory in Prachin Buri had conducted experimental research on fly ash and bottom ash: the residual leftovers after burning solid fuel in power plant for generating electricity and steam for the papermaking process. The finding result was that both ashes had unique properties that could be substituted for the cement to produce construction materials. Therefore, the Company invested in installing the automatic block machine and achieved fly ash utilization at 400 tons/month and bottom ash at 250 tons/month as an additive for producing 300.000 construction blocks per month in replacement of legally disposal waste management by an external agency with the cost. The Company also donated the construction blocks to the community nearby for construction projects including commercialization at a reasonable price.

Fly Ash as a Substitute for Cement Siam Kraft Industry Co., Ltd. has two factories: one located in Ban Pong District, Ratchaburi Province and the other at Wang Sala District. Kanchanaburi Province. Both factories jointly studied fly ash property and found its unique property, the substitute material in cement production. Thus, they further developed Flv ash utilization with SCG Cement-Plant at Thung Song District, Nakhon Si Thammarat Province In 2020, the Company could manage to transfer fly ash around 10,000 tons to Cement Plant. This project helped reduce the waste disposal management cost approximately 10 million baht, energy saving in Cement plant at 40,000 GJ and decreasing greenhouse gas emission at 3,800 tons CO<sub>2</sub>

#### Strive to Reduce the Impact of Odor Pollution

SCGP establishes a stringent policy on odor pollution management. Our implementations are as follows: control odor pollutant at the source by installing an air pollution treatment system, biological treatment systems, etc. And reduce the amount of odor by installing a Sludge dryer and preparing Odor Mapping to control the odor pollutant nuisance in the communities around the factory. We regularly survey and measure odor around the neighborhood, continuously analyze the obtained data to improve the odor environment, and always pursue developing odor pollutant reduction and measurement technology.

Besides, SCGP's Product and Technology Development Center and

Industry 4.0 Transformation Division have successfully developed a fully functional tool for detecting and monitoring odor, the "DOM - Detect Odor Monitoring." Its functions start from odor surveillance, odor measurement, odor impact assessment, and real-time monitoring, which we can process anywhere and anytime through the portal website. There is an automatic notification if an abnormal value is detected. Also, machine learning techniques are applied to create an odor characterization database, which can predict the impact of order pollutant, and help to develop the odor pollution management system continuously

DOM received winner award of the National Innovation Award 2020 for product design and service.













#### Increase the Efficiency of Wastewater Treatment

SCGP treats all effluent from the production process before releasing it into the environment. This is through the regular monitoring of treated water for quality analysis at the internal effluent value setting to ensure that is equivalent or superior to the legal limit before discharging to the natural water source, to the Industrial Estate's wastewater treatment system or to the farmers for agricultural usage. Other efforts includes investments towards new processes and technology for enhanced efficiency of wastewater treatment, in addition to the standard monitoring of total dissolved solids (TDS) for consistent input distribution of water.

We have installed anaerobic wastewater treatment system in local and regional factories, Siam Kraft Industry Co.Ltd.'s factories at Ban Pong and Wang Sala, and a Vietnam factory.

This effort we expanded to our facilities in the Philippines and Indonesia to produce biogas as alternative fuel for generating electricity while reducing other impurities of wastewater before distributing to aerobic wastewater treatment.

#### Turn Lime Mud to a Sanitizing Agent for Shrimp and Fish Farms and Soil Conditioner

Both Thai Paper Company Limited and Phoenix Pulp and Paper Public Company Limited generally have lime mud, a natural by-product produced in the pulping process, which has annual disposal cost of 40 million



DETECT ODOR MONITORING

baht approximately. They jointly collaborated with Siam Forestry Company Limited, which has had the license to manage the waste disposal for fertilizer to research lime mud application in the agricultural sector as a soil conditioner to improve soil quality and increase plants' alkalinity nutrients. They have expanded soil conditioner to the market through a distributor, namely, "Ku Din Fertilizer." With further development of lime mud for adjusting the pH in soil and water for shrimp and fish farms, the Company could sell the innovative products to farmers in the Southern and Eastern parts of Thailand in collaboration with the Phetchaburi Coastal Aquaculture Research and Development Center.

In 2020, Siam Forestry Co., Ltd., could reduce the amount of disposal waste at 3,500 tons per year, earned income from lime mud disposal management 3 million Baht, and selling products around 2 million Baht. The Company plans to expand the products in a larger market to complete all lime mud in the SCG factories.

### **About This Report**

SCGP has published the sustainability report since 2019, with the intension to disseminate business performances in three dimensions: economic, social, and environment to stakeholders. The reporting period for this report's information is from January 1, 2020, to December 31, 2020.

#### The Significant Changes and Developments in 2020

**January 2020** Entered into a business alliance with Rengo in the Philippines to increase market expansion to the Philippines' customer base.

**October 2020** Listed on the Stock Exchange of Thailand and first day trade on October 22, 2020, with proceeds from the Initial Public Offering (IPO) going towards investments in businesses expansion both domestically and overseas, and financial structuring which includes working capital within the Company.

**November 2020** Signed a share purchase agreement to acquire a 100% stake in Go-Pak, one of the leading providers of food service packaging solutions in the UK, Europe, and North America.

**December 2020** Acquired a stake in Bien Hoa Packaging JSC (SOVI), a leading manufacturer of fiber-based packaging in Vietnam.

#### **Reporting Scope**

The information presented in this report includes: Sustainability performances in SCGP's two core businesses comprises the Integrated Packaging Business and Fibrous and Paper Business.

The selection of Sustainability performance information included in this report is based on what is determined by SCGP's management to be responsible, relevant, and valuable for its stakeholders when measuring sustainability performance. There are no changes to the information already reported in the Sustainable Development Report 2019.

The Sustainability Report and its data are prepared in accordance with the Global Reporting Initiative ("GRI Standards"), Core Option, and the Action Toward Achieving the United Nation's Sustainable Development Goals (SDGs) as shown on page 5.

**Economic Data** The reporting scope covers the performance of subsidiaries, joint ventures, associates, and other companies, both domestic and overseas, in line with the SCGP Annual Report.

**Environment, Health, and Safety** The reporting scope cover the performance of subsidiaries with a stake of more than 50%, associated companies with a stake between 20- 50%, that SCGP has the power to manage. Including associated

companies that wish to disclose information, excluding overseas companies, Greenfield (less than 3 years), or newly acquired companies (less than 4 years), whose names are listed on page 77.

#### Sustainability Management System

To ensure the Sustainability Management system throughout SCGP, including subsidiaries under business units of SCGP, have been certified international standards; the quality management system (ISO 9001), the Environmental Management System (ISO 14001), the Occupational Health and Safety Management System (OHSAS/TIS 18001/ISO 45001) and Sustainable Forestry Management Standards (FSC<sup>TM</sup> - Forest Stewardship Council<sup>TM</sup>) (License code FSC<sup>TM</sup> - C135609)

In 2020, 97% of companies granted the Quality Management System certification, 84% Environmental Management System, 88% Safety and Occupational Health Management System, and 100% Sustainable Forestry Management.

#### **Reporting Assurance**

Financial data derived from a financial management system is similar to those presented in the SCGP Annual Report and verified by a certified accounting firm.

The integrity and the transparency of environmental, health, and safety data in this report have been assured by an external party to verify and assess the selected data against GRI Standards reporting guidelines by external consulting firms as required. Details on page 82-83



The electronic file of this report and the previous one can be downloaded from the SCGP website.

For more information, please contact

SCG Packaging Public Company Limited 1 Siam Cement Road, Bangsue, Bangkok 10800 Tel: +66 2586 1227-8

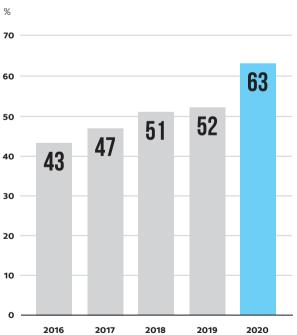
E-mail: scgpackaging@scg.com Website: www.scgpackaging.com

### **Sustainability Performance Data**

#### **Economic Performance**

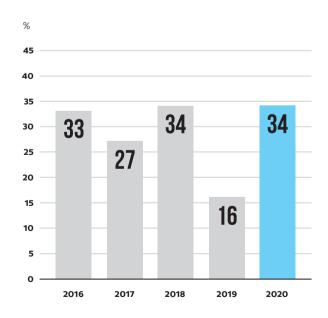
Performance Data	2016	2017	2018	2019	2020	GRI Standards
Revenue from sales (Billion Baht)	75	81	87	89	93	GRI 201-1
Profit for the year (Billion Baht)	3	4	6	5	6	GRI 201-1
EBITDA (Billion Baht)	11	12	15	15	17	GRI 201-1
Employee compensation comprising salary, wage, welfare and regular contributions (Million Baht)	8,085	8,318	8,673	10,025	10,604	GRI 201-1
Divident to shareholders (Million Baht) EC1	782	782	7,815	3,300	1,932	GRI 201-1
Interest and financial expenses to lender (Million Baht)	912	883	1,040	1,741	1,452	GRI 201-1
Taxes to government and local government authorities such as income tax, local maintenance tax, property tax and other specific taxes (Million Baht)	696	737	1,296	1,621	1,756	GRI 201-1
Privilege tax and others from investment promotion, and research and development (Million Baht)	474	375	406	408	244	GRI 201-4
Complaints and non-compliance case through SCG Whistleblowing System (Cases)	2	7	8	3	10	GRI 205-3
Research & Development and Innovation Investment (Million Baht) EC2	449	574	425	584	529	
Business partners who passed the Environmental, Social and Governance (ESG) risk assessment (% of Procurement spending) $^{\rm EC3}$	NA	NA	100	100	100	
Procurement Spending by Geography (% of procurement spending) <sup>EC4</sup> • Domestic • Regional	54 46	51 49	57 43	53 47	55 45	
Revenue from Sales of High Value Added Products and Services (Billion Baht) (%)	32 43	38 47	44 51	46 52	58 63	
Revenue from Sales of SCG Green Choice Products and Services (Billion Baht) <sup>EC5</sup> (%)	25 33	22 27	30 34	14 16	31 34	

NA = Not Available



#### Revenue from Sales of High Value Added Products and Services

#### Revenue from Sales of SCG Green Choice Products and Services



EC1 Dividend to shareholders is the total dividend paid in cash and ordinary shares refered to the SCGP Annual Report, especially in 2019.

EC2 In 2019, a Report on the Investment in Research and Development including the Investment in innovations.

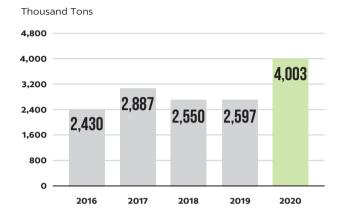
EC3 The Environmental, Social and Corporate Governance (ESG) risk assessment for business partner began in 2018.

- EC4 Consider geography based on seller data and trading currency.
- EC5 The SCG eco value label was renamed SCG Green Choice in 2020.

#### **Environmental Performance**

#### **Production and Raw Materials**

Performance Data	2016	2017	2018	2019	2020	GRI Standards
Production (Thousand Tons)	3,243	3,411	3,439	3,442	3,359	
Raw Materials (Thousand Tons)	4,795	5,224	5,483	5,177	6,405	GRI 301-1
Recycle Materials (Thousand Tons)	2,430	2,887	2,550	2,597	4,003	GRI 301-2

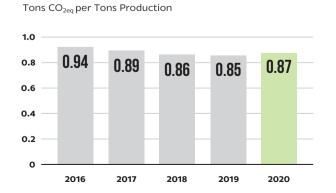


#### **Recycle Materials**

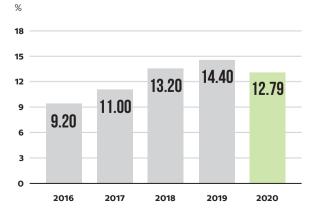
#### Greenhouse Gas Emissions

Performance Data	2016	2017	2018	2019	2020	GRI Standards
GHG Scope 1 (Million Tons CO <sub>2 equivalent</sub> ) <sup>EN1</sup>	2.88	2.81	2.58	2.53	2.66	GRI 305-1
GHG Scope 2 (Million Tons CO <sub>2 equivalent</sub> ) EN1	0.15	0.21	0.38	0.38	0.26	GRI 305-2
GHG Scope 1 and 2 (Million Tons CO <sub>2 equivalent</sub> ) EN1	3.04	3.02	2.96	2.91	2.92	
GHG Emission Reduction compare with business as usual (BAU) at base year of 2007 (Million Tons CO <sub>2 equivalent</sub> )	0.31	0.37	0.45	0.49	0.43	GRI 305-5
GHG Emission Reduction compare with business as usual (BAU) at base year of 2007 (%)	9.20	11.00	13.20	14.40	12.79	GRI 305-5
GHG Emission (Ton CO <sub>2 equivalent</sub> per Ton Production)	0.94	0.89	0.86	0.85	0.87	
GHG Emission Target compare with business as usual (BAU) at base year of 2007 (Million Tons CO <sub>2 equivalent</sub> )	3.34	3.39	3.41	3.40	3.35	
GHG Emission Target (Ton CO <sub>2 equivalent</sub> per Ton Production)	1.03	1.00	0.99	0.99	1.00	

#### **GHG Emission**



GHG Emission Reduction Compared with Business as Usual (BAU) at Base Year of 2007

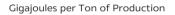


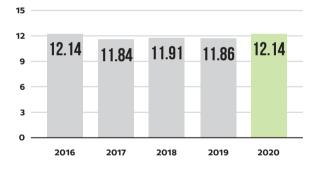
#### **Energy Consumption**

Performance Data	2016	2017	2018	2019	2020	GRI Standards
Total Energy Consumption (Petajoules) EN2	39.38	40.39	40.97	40.83	40.79	GRI 302-1
Heating and Steam Consumption (Petajoules) EN2	38.43	39.13	39.58	39.45	39.87	GRI 302-1
Alternative Fuel (Petajoules) EN2						
Renewable Biomass	1.05	0.95	0.96	1.39	1.59	GRI 302-1
Renewable Industrial Waste	8.21	8.55	9.80	9.81	8.81	GRI 302-1
Non Renewable Industrial Waste	1.17	1.25	1.08	0.89	1.94	GRI 302-1
Portion of Alternative Fuel (%) EN2	27.20	27.50	29.90	30.60	31.00	GRI 302-1
Electrical Consumption (Gigawatt Hours) EN2	264.42	351.00	385.06	383.87	256.42	GRI 302-1
Electricity Sold (Petajoules)	NA	NA	0.07	0.15	0.45	GRI 302-1
Energy Consumption Reduction compare with business as usual (BAU) at base year of 2007 (Petajoules)	NA	3.03	3.67	3.76	2.31	GRI 302-4
Energy Consumption Reduction compare with business as usual (BAU) at base year of 2007 (%)	NA	7.00	8.20	8.40	5.40	GRI 302-4
Energy Consumpiton (Gigajoules per Ton Production)	12.14	11.84	11.91	11.86	12.14	
Energy Consumption Target compare with business as usual (BAU) at base year of 2007 (Petajoules)	NA	43.42	44.64	44.59	43.10	
Energy Consumption Target (Gigajoules per Ton Production)	0.00	12.73	12.98	12.95	12.83	

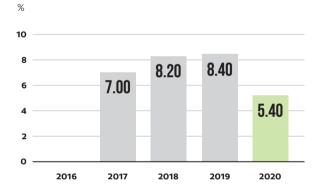
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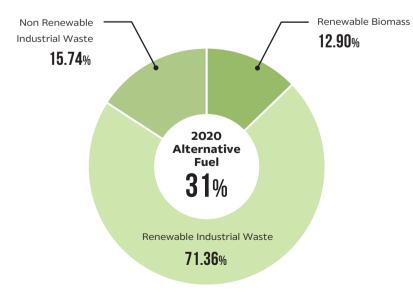
#### **Energy Consumption**





#### Energy Consumption Reduction Compare with Business as Usual (BAU) at Base Year of 2007





Portion of Alternative Fuel (%)

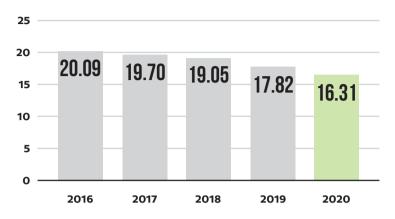
#### Water Withdrawal and Effluent Quality

Performance Data	2016	2017	2018	2019	2020	GRI Standards
Total water withdrawal (Million Cubic Meters) EN3	65.16	67.20	65.49	61.32	54.77	GRI 303-3
Water withdrawal						
from freshwater (TDS $\leq$ 1,000 mg/L) (Million Cubic Meters) <sup>EN3</sup>						
Surface water	NA	21.76	21.10	19.50	17.08	GRI 303-3
Groundwater	NA	44.97	44.00	41.41	30.64	GRI 303-3
Seawater	NA	0.00	0.00	0.00	0.00	GRI 303-3
Tap water or Third-party	NA	0.48	0.40	0.41	0.42	GRI 303-3
from freshwater (TDS > 1,000 mg/L) in water stress area (Million Cubic Meters) EN3						
Surface water	NA	0.00	0.00	0.00	0.00	GRI 303-3
Groundwater     Seawater	NA	0.00	0.00	0.00	6.64	GRI 303-3
Tap water or Third-party	NA NA	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	GRI 303-3 GRI 303-3
from freshwater (TDS $\leq$ 1,000 mg/L) in water stress area <sup>EN3</sup>	INA	0.00	0.00	0.00	0.00	GHI 303-3
Surface water	NA	0.00	0.00	0.00	0.00	GRI 303-3
Groundwater	NA	0.00	0.00	0.00	0.00	GRI 303-3
Seawater	NA	0.00	0.00	0.00	0.00	GRI 303-3
Tap water or Third-party	NA	0.00	0.00	0.00	0.00	GRI 303-3
from freshwater (TDS > 1,000 mg/L) in water stress area (Million Cubic Meters) $^{\rm EN3}$						
Surface water	NA	0.00	0.00	0.00	0.00	GRI 303-3
Groundwater	NA	0.00	0.00	0.00	0.00	GRI 303-3
Seawater	NA	0.00	0.00	0.00	0.00	GRI 303-3
Tap water or Third-party	NA	0.00	0.00	0.00	0.00	GRI 303-3
Water Withdrawal Reduction compare with business as usual at base year of 2014	-0.21	-0.53	2.96	7.12	11.07	
(Million Cubic Meters)	-0.21	-0.00	2.50	1.12	11.07	
Water Withdrawal Reduction compare with business as usual at base year of 2014 (%) $\!\!\!\!\!\!$	-0.33	-0.80	4.32	10.40	16.81	
Recycle Water (Million Cubic Meters)	4.52	6.12	7.07	8.39	8.97	GRI 303-3
Portion of Recycled Water (%)	6.48	8.35	9.75	12.04	14.08	
Water Withdrawal (Cubic Meters per Tons Production)	20.09	19.70	19.05	17.82	16.31	
Water Withdrawal Target compare with business as usual at base year of 2014 (Million Cubic Meters)	64.95	66.67	68.45	68.44	65.84	
Water Withdrawal Target (Million Cubic Meters per Tons Production)	20.03	19.54	19.91	19.88	19.60	
Water discharge to surface water (Million Cubic Meters) EN3	NA	NA	NA	NA	30.84	GRI 303-4
Water discharge to groundwater (Million Cubic Meters) EN3	NA	NA	NA	NA	1.16	GRI 303-4
Water discharge to seawater (Million Cubic Meters) EN3	NA	NA	NA	NA	0.00	GRI 303-4
Water discharge to third-party water (total) (Million Cubic Meters) EN3	NA	NA	NA	NA	4.69	GRI 303-4
Third-party water sent for use to other organizations (Million Cubic Meters) EN3	NA	NA	NA	NA	4.62	GRI 303-4
Total water discharge (Million Cubic Meters) EN3	NA	NA	NA	NA	36.69	GRI 303-4
Water discharge by freshwater (TDS $\leq$ 1,000 mg/L) (Million Cubic Meters) <sup>EN3</sup>	NA	NA	NA	NA	4.31	GRI 303-4
Water discharge by other water (TDS > 1,000 mg/L) (Million Cubic Meters) EN3	NA	NA	NA	NA	32.39	GRI 303-4
Water discharge by freshwater (TDS $\leq$ 1000 mg/L) in water stress area (Million Cubic Meters) $^{\text{EN3}}$	NA	NA	NA	NA	0.00	GRI 303-4
Water discharge by other water (TDS > 1,000 mg/L) in water stress area (Million Cubic Meters) EN3	NA	NA	NA	NA	0.00	GRI 303-4
BOD (Tons) EN3	415	355	214	147	153	GRI 306-1
COD (Tons) EN3	6292	5899	5074	4224	3623	GRI 306-1
TSS (Tons) EN3	922	965	792	572	505	GRI 306-1

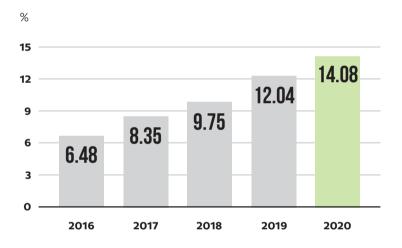
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#### Water Withdrawal

Cubic Meters per Tons Production







Water Withdrawal Reduction Compare with Business as Usual at Base Year of 2014

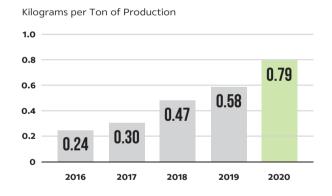


#### Waste Management/Air Emission/Environmental Expenditures and Benefits/Violations of Legal Obligations and Regulations

Performance Data	2016	2017	2018	2019	2020	GRI Standards
Hazardous Waste Generation (Thousand Tons)	0.77	1.03	1.61	2.00	2.66	
Hazardous Waste Generation per ton of production (Kilogram per Ton)	0.24	0.30	0.47	0.58	0.79	
Hazardous Waste Management <sup>EN4</sup>						
Reuse / Recycled (Thousand Tons)	0.40	0.74	1.24	1.77	2.66	GRI 306-2
<ul> <li>Incinerated without energy recovery (Thousand Tons)</li> </ul>	0.41	0.27	0.32	0.06	0.02	GRI 306-2
• Landfilled (Tons)	0.09	1.00	0.00	0.00	0.77	GRI 306-2
Hazardous Waste in the storage at the end of year (Thousand Tons) $^{\ensuremath{EN4}}$	NA	NA	NA	0.13	0.11	GRI 306-2
Non Hazardous Waste Generation (Thousand Tons)	1,015.43	1,025.32	1,065.08	1,053.91	1,042.74	
Non Hazardous Waste Generation per ton of production (Kilograms per Ton)	313.12	300.56	309.74	306.19	310.44	
Non Hazardous Waste Management EN4						
Reuse / Recycled (Thousand Tons)	1,124.20	1,044.21	1,011.10	1,074.48	1,064.32	GRI 306-2
<ul> <li>Incinerated without energy recovery (Thousand Tons)</li> </ul>	2.07	1.32	0.40	0.28	0.00	GRI 306-2
Landfilled (Tons)	10.60	0.00	0.00	0.00	0.00	GRI 306-2
Non Hazardous Waste in the storage at the end of year (Thousand Tons) EN4	NA	NA	NA	145.22	123.63	GRI 306-2
Oxides of Nitrogen (Thousand Tons) EN5	3.16	2.53	2.86	2.48	2.97	GRI 305-7
Oxides of Sulfur (Thousand Tons) EN5	2.60	2.68	2.20	1.81	2.57	GRI 305-7
Particulate Matter (Thousand Tons) EN5	0.60	0.41	0.39	0.34	0.31	GRI 305-7
Operating Expenses-Environment (Million Baht)	738	889	722	681	742	
Capital Invesments-Environment (Million Baht)	541	178	347	383	330	
Tax Incentives linked to environment investment EN6	NA	NA	19	17	8	
Number of violations of legal obligations/regulations (Number of Cases)	0.00	0.00	0.00	0.00	0.00	GRI 307-1

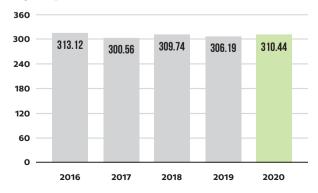
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#### **Hazardous Waste Generation**

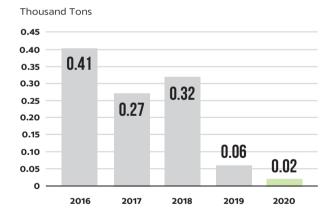


#### **Non Hazardous Waste Generation**

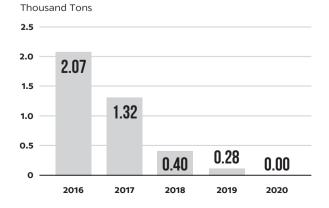
Kilograms per Ton of Production



#### Hazardous Waste Management Incinerated without Energy Recovery



# Non Hazardous Waste Management Incinerated without Energy Recovery



EN1	Greenhouse Gas
	Greenhouse gas means the amount of greenhouse gas emission from operations calculated in accordance with the WRI/WBCSD GHG Emissions Protocol
	"Greenhouse Gas Reporting and Calculation Guidelines", including calculation tools from the International Council of Forest and Paper Associations (ICGPA
	as per the following scpoe :
	1. Scope of Reporting
	1.1 Greenhouse gases directly generated (Scope 1)
	Arising from the production process or various activities with a source in the supervision and management of a company or factory, such a
	the emission of greenhouse gases arising from stationary combustion, mobile combustion, fugitive emissions, chemical reaction emission.
	Carbon dioxide emissions occurring from biomass burning, biogas and lime mud burning at lime kiln are reported separately from Scope 1
	because the carbon contained in biomass, biogas and lime is of natural origin.
	1.2 Greenhouse gas indirectly generated (Scope 2)
	It is caused by indirect GHG emission from energy use, e.g. greenhouse gases arising from electricity generation, imported thermal or stea
	for internal utilization.
	1.3 Greenhouse gases indirectly generated (Scope 3)
	Arising from other indirect greenhouse gas emissions are the amount of GHGs arising from activities other than those specified in Category 1
	and Type 2 (Existing During the study and collecting information in the section Transportation, Processing of sold products, use of sold
	products, End-of-life treatment of sold products).
	2. Volume Reporting
	2.1 Calculation of greenhouse gas emissions from direct production processes (Scope 1)
	Caused by the combustion process.
	• Report based on fuel consumption (By weight or volume), e.g. oil or natural gas x emission values referenced from the Thailand
	Greenhouse Gas Management Organization (Public Organization) (TGO) Other than TGO refer to "Intergovernmental Panel on
	Climate Change 2006", (IPCC)
	Report based on fuel consumption. (Based on heat value) such as coal content x heat value x TGO-referenced greenhouse gas emissio
	in the event other than TGO Other than TGO refer to "Intergovernmental Panel on Climate Change 2006", (IPCC).
	2.2 Calculation of greenhouse gas emissions indirectly (Scope 2) is reported from the purchase of electricity, steam x the greenhouse gas
	emission value based on TGO, producer or seller.
	3. Greenhouse Gas Emissions
	Are reporting covers CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs and SF <sub>6</sub> , calculated and displayed in the form of carbon dioxide equivalent to the Global
	Warming Potential (GWP) set by the IPCC, which currently, the new base year is under consideration to target Net Zero in 2050.
EN2	Energy
	Total energy consumption includes all thermal and electricity used in the company/factory areas. For the details on thermal energy, the amount and ration
	alternative fuel utilization is also pesented, together with the addition of renewable biomass, renewable industrial waste and non-renewable industrial waste
	Thermal energy consumption = fuel weight or steam volume (Based on the volume purchased or stockpile changed ) x Low Heating Value (provided
	by laboratory test or suppliers).
	<ul> <li>Electrical energy consumption = energy used in form of electrical currents that purchased from outsources electrical generators for companies / plants'</li> </ul>
	activities and does not account self-generated electricity from fuel combustion since it can be considered as double-count for thermal energy.
	Fuels
	Alternative Fuel = renewable biomass, renewable industrial waste and non-renewable industrial waste that can produce heat and energy.
	Renewable Industrial waste = fuels produced from renewable resources for examples black liquor from pulp process, biogas and sludge from wastewater
	treatment plant.
	Non-renewable Industrial waste = waste material rejects including residue leftover from production processes such as waste rejects and used oil.
	• Renewable energy = Clean energy derived from nature are biomass (Biomass, Biogas, Sludge, Black Liquor), solar energy, wind power, hydro, geothern
	energy. To be used as a replacement for energy from fossil fuels.

EN3	Water
	• Water management (water withdrawal, water discharge. water treatment and water recycling) is considered in order to assess efficiency of water
	from various sources.
	• Water withdrawal is the quantity of fresh water taken from external sources for used in production process, offices, maintenance and utilities.
	Sources of water are divided into surface water, ground water tap water and recycled water - the treated water returned to the process. It is
	obtaining data from accounting evidences or meter reading.
	• Effluent Water Quality is the quality of water discharged to external by measuring the Total Dissolved Solids (TDS). According to the standard
	methods to categorize the quality of water sources, there are 2 types of effluent water quality as follows:
	Freshwater TDS is less than or equal to 1,000 milligrams per litre.
	Other water TDS more than 1,000 milligrams per litre.
	• Water recycling, the reused water in a factory's activities after treatment processes, excluding water that has not undergone the treatment
	process.
	• Effluent water Quality is the quality of water discharged to external sources, such as BOD COD and Suspended Solids with the quality of
	discharged water measured by a standard test method and volume of released water.
	• Water Source quality is the quality of various water sources by measuring the Total Dissolved Solids (TDS). According to the standard methods
	to categorize the quality of water sources into 2 types as follows:
	Freshwater TDS is less than or equal to 1,000 milligrams per litre.
	Other water TDS value greater than 1,000 milligrams per litre.
EN4	Industrial Waste
	Waste Management is considered to assess the production process efficiency, product quality improvement, and a decrease in production cost.
	SCGP has established "Waste Reporting Guideline" since March 2010 for waste data collection and calculation.
	• The quantity of industrial waste is the amount of waste generated from the production process, excluding the waste that can be recycled in the
	production process (Work in process, WIP). Industrial wastes are divided into 2 categories comprising hazardous waste and non-hazardous waste
	as listed in the Ministry of Industry's 2005 Decree on the Disposal of Wastes and Unused Materials.
	Volume Reporting
	1. Waste or unused material at the place of origin or before entering the waste storage building is complied from weighting scale or estimation.
	2. Industrial waste stock refers to the amount of waste that occurs but not yet managed or collected in storage areas is compiled from weighting
	scale or estimation.
	3. The amount of industrial waste to be disposed of (Waste Manage) refers to the amount of waste, to be managed both inside and outside SCGP
	compiled from weighting scale only.
EN5	Air Emission
	Air emissions are the quantity of air pollution such as NO <sub>X</sub> , SO <sub>X</sub> , and Particulate Matter deriving from combustions and being the components
	during the production process. Types of air pollutants depend upon each production process in which chemical substance is produced. The result
	and measurement method shall refer to the method required by laws such as US EPA or equivalent standard.
	Reporting on air emission quantity will be calculated based on concentration measured from random Spot Check conducted by laboratories certified
	and registered to the Department of Industrial Works, multiplied by hot air flow rate and production hours. Besides, SCGP measures the stack's
	emissions using continuous Emission Monitoring Systems (CEMs), including Tax privilege from the Board of Investment (BOI) for environmental
	projects.
EN6	Tax Benefits from BOI Promoted Projects
	including Tax privilege from the Board of Investment (BOI) for environmental projects.

#### **Social Performance**

Performance Data	2016	2017	2018	2019	2020	GRI Standards
Lost Time Injury Frequency Rate : LTIFR (Cases per 1,000,000 hours						
worked) <sup>S1</sup>						
• Employee	0.562	0.688	0.356	0.522	0.087	
Contractor	0.875	0.324	0.706	0.678	0.296	
njury Severity Rate: ISR (Cases per 1,000,000 hours worked) S1						
• Employee	9.723	8.994	4.528	10.200	0.831	
Contractor	21.151	3.937	7.109	8.098	8.155	
Total Number of Work-Related Fatalities (Cases) S1						
• Employee (male : female)	1:0	0:0	0:0	0:0	0:0	GRI 403-9
Contractor (male : female) (Workplace and Direct Transportation)	3:0	0:0	1:0	0:0	0:0	GRI 403-9
Total Number of Fatalities from Work-Related Injury in Workplace						
Cases) <sup>S1</sup>	0:0	0:0	0:0	0:0	0:0	GRI 403-9
Employee (male : female)	2:0	0:0	1:0	0:0	0:0	GRI 403-9
Contractor (male : female)	2.0	0.0	1.0	0.0	0.0	GHI 403-3
Total Number of Fatalities from Work-Related Injury in Transportation						
Cases) S1	1:0	0:0	0:0	0:0	0:0	GRI 403-9
Employee (male : female)	0:0	0:0	0:0	0:0	0:0	GRI 403-9
Direct Transportation Contractor (male : female)	1:0	0:0	0:0	2:0	0:0	GRI 403-9
Other Transportation Contractor (male : female)						
Number of Fatalities as a result of Work-Related Injury (Cases) S1						
• Employee	0	0	0	0	0	GRI 403-9
Contractor	2	0	1	0	0	GRI 403-9
Fatalities as a result of Work-Related Injury Rate (Cases per 1,000,000						
nours worked) S1						
Employee	0.000	0.000	0.000	0.000	0.000	GRI 403-9
Contractor	0.103	0.000	0.050	0.000	0.000	GRI 403-9
Number of High Consequence Work-Related Injury (Cases) S1						
• Employee	N/A	N/A	N/A	N/A	0	GRI 403-9
Contractor	N/A	N/A	N/A	N/A	1	GRI 403-9
High Consequence Work-Related Injury Rate (Cases per 1,000,000						
nours worked) <sup>S1</sup>						
• Employee	N/A	N/A	N/A	N/A	0.000	GRI 403-9
Contractor	N/A	N/A	N/A	N/A	0.027	GRI 403-9
Number of Recordable Work-Related Injury (Cases) S1						
Employee	27	41	30	30	23	GRI 403-9
Contractor	34	31	50	43	27	GRI 403-9
Recordable Work-Related Injury Rate (Cases per 1,000,000 hours						
worked) <sup>S1</sup>						
• Employee	1.517	2.169	1.526	1.423	1.006	GRI 403-9
Contractor	1.750	1.672	2.521	1.823	0.727	GRI 403-9
Hours worked (Hrs.) <sup>S1</sup>						
• Employee	17,792,885.00	18,901,992.00	19,654,400.95	21,078,804.75	22,869,682.70	GRI 403-9
Contractor	19,431,988.00	18,542,902.00	19,833,700.27	23,585,144.27	37,155,610.20	GRI 403-9
Number of Occupational Illness & Disease (Cases)	,		-,,- 00121			
Employee	0	0	0	0	0	GRI 403-10
Employee     Contractor	0	0	0	0	0	GRI 403-10 GRI 403-10
	0	0	0	0	0	Grif 400-10
Number of Recordable Occupational Illness & Disease (Cases)	6					
Employee	0	0	0	0	0	GRI 403-10
Contractor	0	0	0	0	0	GRI 403-10
Dccupational Illness & Disease Frequency Rate						
Cases per 1,000,000 hours worked) <sup>S1</sup>						
• Employee	0	0	0	0	0	GRI 403-10

Performance Data	2016	2017	2018	2019	2020	GRI Standards
Number of employees (Persons) S2	6,781	6,818	6,748	6,660	6,416	GRI 102-8 GRI 102-7
Female share of total workforce (%)	16.65	16.69	16.91	16.92	17.52	GRI 405-1
Female in all management positions (%)	18.60	19.03	18.90	19.64	20.61	GRI 102-8
Female in junior management positions (%)	20.54	20.74	20.80	21.33	23.05	
Female in top management positions (%)	8.33	9.09	6.25	10.53	7.69	
Female in management positions in revenue-generating functions (%) S3	30.00	30.23	26.26	27.00	28.45	
Proportion of local senior management (%) <sup>S4</sup>	0.51	0.63	0.63	0.87	0.76	GRI 202-2
Number of employees with disability (Persons) <sup>S5</sup>	NA	NA	15	17	16	
Average salary of Executive Level (base salary only) (Baht)				. <u></u>		0.01 405 0
Female     Male	0 5,645,000	0 5,983,000	0 6,342,000	0 6,723,000	0 6,844,000	GRI 405-2 GRI 405-2
Ratio of average salary of female to male (Executive Level) (base salary only)						
	0	0	0	0	0	GRI 405-2
Average salary of Management Level (base salary only) (Baht) • Female	2,045,000	2,120,000	2,203,000	2,363,000	2,331,000	GRI 405-2
• Male	2,311,000	2,309,000	2,403,000	2,458,000	2,501,000	GRI 405-2
Ratio of average salary of female to male (Management Level) (base salary only)	0.885	0.918	0.917	0.961	0.932	GRI 405-2
Average salary of Management Level (base salary + other cash incentives) (Baht)						
• Female	2,859,000	2,938,000	3,148,000	3,170,000	3,143,000	GRI 405-2
• Male	3,431,000	3,402,000	3,650,000	3,485,000	3,585,000	GRI 405-2
Ratio of average salary of female to male (Management Level) (base salary + other cash incentives)	0.833	0.864	0.862	0.910	0.877	GRI 405-2
Average salary of Non-management Level (base salary only) (Baht)						
• Female	491,000	508,000	533,000	563,000	584,000	GRI 405-2
• Male	408,000	424,000	442,000	461,000	478,000	GRI 405-2
Ratio of average salary of female to male (Non-management Level) (base salary only)	1.203	1.198	1.206	1.221	1.222	GRI 405-2
Employees represented by an independent trade union or covered by collective bargaining agreements (%) <sup>S6</sup>	100	100	100	100	100	GRI 102-41
Proportion of Absence by Type (%)						
Sick leave	14.79	16.05	16.99	14.71	12.99	
Work-related leave	0.03	0.03	0.03	0.04	0.03	
Others	85.18	83.92	82.99	85.25	86.98	
Number of new employees hire (Persons)	376	395	245	174	133	GRI 401-1
Ratio of new employees hire (%)	5.54	5.79	3.63	2.61	2.07	
Voluntary employee turnover (Persons)	217	231	235	228	289	GRI 401-1
Voluntary employee turnover rate (%)	3.20	3.39	3.48	3.42	4.50	
Total employee turnover (Persons)	224	239	242	238	475	GRI 401-1
Total employee turnover rate (%)	3.30	3.51	3.59	3.57	7.40	
Return to work after parental leave (Persons) S7						
Number of employees taken parental leave	43	44	30	42	34	GRI 401-3
Number of employees returned to work after parental leave	43	41	30	41	34	GRI 401-3
Employee engagement level (%) <sup>S8</sup>	60	60	74	74	80	
Average training and development of employee (Days/Person)	8	8	8	7	4	GRI 404-1
Average cost of hiring a new employee (Baht/Person)	31,839	33,271	50,920	31,617	20,387	
Employee volunteering during paid working hours (Million Baht)	NA	NA	4	3	4	
In-kind giving: product or services donations, projects/partnerships or similar (Million Baht)	NA	NA	28	11	7	
Management overheads related to CSR activity (Million Baht)	NA	NA	22	26	34	

NA = Not Available

#### Lost Time Injury Frequency Rate : LTIFR (Employee)

Cases per 1,000,000 hours worked

%

20

15

10

5 0

2016

2017

#### 1.0 0.8 0.6 0.688 0.562 0.522 0.4 0.356 0.2 0.087 ο 2016 2017 2018 2019 2020

# 2016 2017 2018 2019 2020



2018

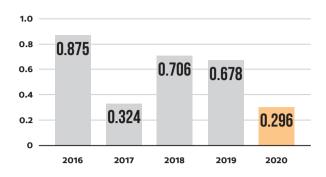
2019

2020

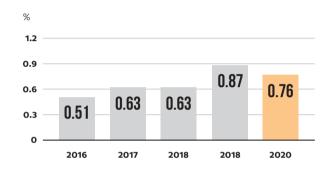
### Female Share of Total Workforce



Cases per 1,000,000 hours worked



#### **Proportion of Local Senior Management**



S1	Data on Number of Employees and Contractors
	1. Employee is a full-time employee according to an employment contract such as operational level, supervisory and technical staff level, and managerial level including intern (probationary) and special contracted employee.
	<ol> <li>Contractor is a person who has been consented to work or provide service or benefit to the Company apart from the Company's employee as per the definition specified above, which could be divided into 3 groups as follows:         <ol> <li>Workplace Contractor is a contractor that works for the organization, and whose work and/or workplace is controlled by the organization. (Exclude Transportation contractor.)</li> <li>Direct Transportation Contractor is a transportation Contractor with operation under SCGP's brand.</li> <li>Other Transportation Contractor without operation under SCGP's brand.</li> </ol> </li> </ol>
	Employees and workplace contractors data covered in the report will be calculated for the number of man-hours. Data on transportation contractors under SCG Logistics Management Co., Ltd., will be reported in kilometer.
	SCGP also defines a not under supervision contractor that the contractor is not under the control of the organization, whose work and/ or workplace is not controlled by the organization; including the third party that is anyone other than employees and not contractor who do not work for the organization, are not covered in this report.
	Calculation of Man-Hours
	1. Data from the clock-in system, HR database, accounting unit or relevant administrative unit.
	2. Data from documents that specify working hours such as timesheets, time records from the accounting department that pay wages, departments that have evidence of time record the number of working hours or collected working hours from Work Permit.
	3. In case the companies/plants do not have a clock-in system or HR database, the below formula shall be employed to estimate the man-hours.
	Number of man-hours = [Number of Employees/Contractors x Number of working days x Number of normal working hours (per day)] + number of total overtime man-hours. (only operational employees and contractors)

	Recording of Health and Safety Data
	SCGP records data on health and safety at work by dividing into 6 categories:
	1. The number of fatalities is the number of work-related injuries resulting in fatality regardless of sudden death or suffering the consequences and dying later.
	2. Injury Frequency Rate is total number of recordable work-related injury case (person) per 1,000,000 man-hours.
	3. Lost Time Injury Frequency Rate is total number of recordable work-related lost time injury case (person) per 1,000,000 man-hours. Lost Time Injury accident refers to a work-related accident that causes an injury cannot come to work as usual on the next work day or in the next shift, including the injury and occupational illness that causes inability return to work, which is a consequence of the accident.
	4. Injury Severity Rate is total number of lost workday (day) from recordable work-related lost time injury case (person) per 1,000,000 man-hours.
	5. High-Consequence Work-related injury Rate is a total number of High-Consequence Work-related injury case (person)per 1,000,000 man-hours (excluded fatality).
	<ol> <li>Occupational Illness &amp; Disease Frequency Rate refer to the total number of recordable Occupational Illness &amp; Disease (person) - per 1,000,000 man-hours.</li> </ol>
	SCGP changed the calculation rate based on a case or day/200,000 man-hours to a case or day/1,000,000 man-hours to be suitable to the organizational size and compared with other companies within the same industry.
	Since 2020, started to collect and calculate the data of High-Consequence Work-Related injury Rate.
Annotation	Social performance is specific data only in Thailand. Except for the proportion of local senior management (%) Performance data from the topic of number of employees to management overheads related to CSR activity are exclude the companies on Subsidiaries Included in Sustainability Report 2020 are number 5-6, 8, 14, 18 and 23-31.
S2	The total number of employees in Thailand           Year         2016         2017         2018         2019         2020           Employee (person)         8,434         8,767         9,318         9,231         8,802
S3	Revenue - generating functions, e.g., marketing, sales, production.
S4	Adjust the proportion of senior management in overseas in line with the number of local senior management.
S5	Visual and physical impairment and movement disabilities or others. e.g., hearing impairment, mental disability, communication disability.
S6	Employees joining trade unions or working with the company covered by the Welfare Committee.
S7	Consider only female employees on parental leave.
S8	Employee engagement level is conducted 2 years at a time.

### Subsidiaries Included in Sustainablity Report 2020

									Enviro	onment						Civil Society		ty Management System for Sustainability				
			Total Direct/	io	En	ergy		A	lir				Water				Health	& Safety		tor Sus		/
	Business/Company	Principal Business/ Products	Indirect Holding (Percent)	Product	Thermal	Electricity	Dust	so	NOx	GHG	Water Withdrawal	Recycled Water	BOD	COD	TSS	Waste	Safety	Occupational Illness	150 9001	ISO 14001	ISO 45001, TIS/ OHSAS 18001	FSCTM
1	SCG Packaging Public Company Limited																~	~				
	Subsidiaries																					
	Thai Containers Group Co., Ltd. (Navanakorn)	Fiber-Based Packaging		~	~	~	1	~	1	1	~	NR	~	~	~	~	1	1	~	~	~	✓
	Thai Containers Group Co., Ltd. (Pathumthani)	Fiber-Based Packaging		~	~	~	~	~	~	~	~	~	NR	NR	NR	~	~	~	~	~	~	~
	Thai Containers Group Co., Ltd. (Samutprakan)	Fiber-Based Packaging		~	~	~	~	~	~	~	~	NR	~	~	~	~	~	~	~	~	~	~
	Thai Containers Group Co., Ltd. (Ratchaburi)	Fiber-Based Packaging		~	~	~	~	~	~	~	~	~	NR	NR	NR	~	~	1	~	~	~	~
	Thai Containers Group Co., Ltd. (Songkhla)	Fiber-Based Packaging		~	~	~	~	~	~	~	~	NR	~	~	~	~	~	~	~	~	~	~
2	Thai Containers Group Co., Ltd. (Chonburi)	Fiber-Based Packaging	70	~	~	~	~	~	~	~	~	NR	NR	NR	NR	~	~	1	~	~	~	✓
	Thai Containers Group Co., Ltd. (Prachinburi)	Fiber-Based Packaging		~	~	~	~	~	~	~	~	NR	~	~	~	~	~	1	~	~	~	✓
	Thai Containers Group Co., Ltd. (Saraburi)	Fiber-Based Packaging		~	~	~	~	~	~	~	~	~	~	~	~	~	~	1	~	~	~	✓
	Thai Containers Group Co., Ltd. (Kamphaeng Phet)	Fiber-Based Packaging		~	~	~	~	~	~	~	~	NR	NR	NR	NR	~	~	~	~	~	~	~
	Thai Containers Group Co., Ltd. (Bang Sue)	Office															~	~				
3	Thai Containers Khonkaen Co., Ltd.	Fiber-Based Packaging	70	~	~	~	~	~	~	~	~	NR	NR	NR	NR	~	~	~	~	~	~	✓
4	Thai Containers Rayong Co., Ltd.	Fiber-Based Packaging	70	~	~	~	~	~	~	~	~	NR	~	~	~	~	~	~	~	~	~	~
5	Tawana Container Co., Ltd.	Fiber-Based Packaging	50	~	~	~	~	~	~	~	~	NR	~	~	~	~	~	~	~	~	~	~
	Orient Containers Co., Ltd. (Samutsakhon)			~	~	~	~	~	~	~	~	~	NR	NR	NR	~	~	~	~	~	~	~
6	Orient Containers Co., Ltd. (Omnoi)	Fiber-Based Packaging	70	~	~	~	~	~	~	~	~	NR	~	~	~	~	~	~	~	~	~	~
	Orient Containers Co., Ltd. (Nakornpathom)			~	~	~	NR	NR	NR	~	~	NR	NR	NR	NR	~	~	~	~	×	~	~
7	SCGP Solutions Co., Ltd.	Holding Company	100																			
8	Precision Print Co., Ltd.	Fiber-Based Packaging	75	~	~	✓	NR	NR	NR	<ul> <li>✓</li> </ul>	√	NR	~	~	~	~	<ul> <li>✓</li> </ul>	~	~	✓	×	~
-	Siam Kraft Industry Co., Ltd. (Kanchanaburi)	Packaging Paper		· •	· •	· •	~	✓	~	· •	· •	~	·	·	· •	~	· ·	· ·	· •	· •	✓	~
9	Siam Kraft Industry Co., Ltd. (Ratchaburi)	Packaging Paper	100	· ~	· •	· ~	· •	· •	· •	· ·	· •	· •		· •	· •	· ~	· •	· •	~	· ·	· •	· ~
	Siam Kraft Industry Co., Ltd. (Bang Sue)	Office															✓	✓				
	Thai Cane Paper Public Company Limited (Kanchanaburi)	Unice		~	~	~	<ul> <li>✓</li> </ul>	✓	1	✓	~	~	1	1	✓	1	· •	· •	1	✓	~	~
10		Packaging Paper	98	▼ ✓	× √	▼ ✓	* ✓	▼ ✓	▼ ✓	▼ ✓	◆ ✓	× - ✓	* - ⁄	▼ ✓	▼ ✓	▼ ✓	▼ ✓	▼ ✓	▼ ✓	▼ ✓	* - ✓	▼ ✓
	Thai Cane Paper Public Company Limited (Prachin Buri)	Francisco de la Martina	100	✓ ✓	✓ ✓		✓ ✓	✓ ✓	✓ ✓			NR	✓ ✓	✓ ✓	✓ ✓					-		NR
11	SCG Paper Energy Co., Ltd.	Energy and Utilities	100	~	~	~	~	~	~	~	~	NR	~	~	~	~	~	~	×	×	×	NR
12	SKIC International Co., Ltd.	Holding Company	100																			
13	SCGP-T Plastics Co., Ltd.	Holding Company	51	1	1		NB	NB	NR			NB	NR	NB	NB							NR
		Rigid Packaging	38	~	~	~	NR	NR	NR	~	~	NR	NR	NR	NR	~	✓	✓	~	×	×	NR
15	SCGP Rigid Plastics Company Limited	Holding Company	100																			
16	Visy Packaging (Thailand) Limited	Rigid Packaging	80																			
17	TC Flexible Packaging Co., Ltd.	Holding Company	53	<b>√</b>	✓			<b>√</b>									<b>√</b>			<ul> <li>✓</li> </ul>		
	Prepack Thailand Co., Ltd. (Samutsakhon)			✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	NR	NR	NR	NR	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	NR
18	Prepack Thailand Co., Ltd. (Samutsongkhram)	Flexible Packaging	38	▼ ✓	▼ ✓	▼ ✓						NR	NR	NR	NR	• √			▼ ✓	▼ ✓		NR
19	Prepack Thailand Co., Ltd. (Rayong) Phoenix Pulp & Paper Public Company Limited	Food Service Products/	70	<ul> <li>✓</li> </ul>	<ul> <li>✓</li> </ul>	✓ ✓	NR	NR	NR	✓ ✓	✓ ✓	NR	NR	NR	NR	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	NR ✓
		Pulp and Paper Products																				
	Thai Paper Co., Ltd. (Paper Production)	Freed Constant Day 1 - 1 - 1		~	~	~	NR	NR	NR	~	~	NR	NR	NR	NR	~	1	1	~	~	~	~
20	Thai Paper Co., Ltd. (Pulp Production-Banpong)	Food Service Products/ Pulp and Paper Products	70	~	~	~	~	~	1	~	~	~	NR	NR	NR	~	~	~	~	~	~	~
	Thai Paper Co., Ltd. (Pulp Production-Wangsala)			~	~	~	~	~	~	~	~	NR	NR	NR	NR	~	~	~	~	~	~	~
21	Phoenix Utilities Co., Ltd.	Utilities	70	~	~	~	NR	NR	NR	~	~	NR	NR	NR	NR	NR	~	1	~	~	~	NR
22	The Siam Forestry Co., Ltd.	Forestry Products	70	~	~	~	NR	NR	NR	~	NR	NR	NR	NR	NR	NR	~	1	~	×	~	~
23	Siam Panawes Co., Ltd.	Forestry Products	70	~	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
24	Suanpa Rungsaris Co., Ltd.	Forestry Products	70	~	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
25	Panas Nimit Co., Ltd.	Forestry Products	70	~	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
26	Thai Panaboon Co., Ltd.	Forestry Products	70	~	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
27	Thai Panaram Co., Ltd.	Forestry Products	70	~	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
28	Thai Panadorn Co., Ltd.	Forestry Products	70	~	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
29	Thai Panason Co., Ltd.	Forestry Products	70	~	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
30	Thai Wanabhum Co., Ltd.	Forestry Products	70	~	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
31	Thai Union Paper Public Company Limited	Pulp and Paper Products		~	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
32	SCGP Excellence Training Co., Ltd.	Training	100														~	~				
33	Invenique Co., Ltd.	Asset and Intellectual Property Management	100																			
	Associates and Other subsidiaries																					
1	Siam Toppan Packaging Co., Ltd.	Fiber-Based Packaging	49																			
2	Siam Nippon Industrial Paper Co., Ltd.	Specialty Paper	31	~	<ul> <li>✓</li> </ul>	<ul> <li>✓</li> </ul>	NB	NB	NR	<b>√</b>	~	NB	NB	NB	NB	~	<b>√</b>	<b>√</b>	~	×	×	✓
-				•		ŀ	ALK .	INPL	INP			INPE	ours	init	INP		-		•	-	^	·
3	Sahagreen Forest Co., Ltd.	Energy And Utilities	17																			

NR = Non Relevance Information (businesses are on operation but their data is irrelaevant or significant).

Office/ Investment/ Sales/ Service where the collection of data is not necessary.

Greenfield (less than 3 years) or newly acquired companies (less than 4 years) is not required to incorporate environmental, safety and occupational illness data into SCGP.

Thai Union Paper Public Company Limited registered its business dissolution with the Department of Business Development, the Ministry of Commerce of Thailand on July 31, 2018 and is currently undergoing liquidation. Sustainability Management System does not consider non relevance information (NR) from all subsidiaries in Thailand and associated companies which disclose information.

The Percentage of SCGP companies achieving International Standard Certification; ISO 9001 97%, ISO14001 84%, ISO 45001 TIS/OHSAS 18001 88% and FSC<sup>TM</sup> 100% (Consider by company) (License code FSC<sup>TM</sup> -C135609) For data reporting of SCG Packaging Company Limited, including the head office, the departments under SCGP.

For data reporting of Thai Paper Co., Ltd., including the head office, paper production and food packaging converting companies.

### **GRI Content Index**

SCGP follows the Global Reporting Initiative's (GRI) Sustainability Reporting Standards in our Sustainability Report. This report has been prepared in accordance with the GRI Standards: Core option. Topic-specific disclosures with a refernce to external assurance in the GRI content index have been externally assured by an independent third party KPMG Phoomchai Audit Ltd. The independt Assurance Report is available in SCGP's Sustainability Report on page 82-83. The index below shows where the GRI disclosures are addressed in the One report (OR) or the Sustainability Report (SR).

	GRI Standards Disclosure	Location (OR/SR)	External Assurance
GRI 102: 0	General Disclosure		
1. Organiza	ational Profile		
102-1	Name of the organization	SRCover	
102-2	Activities, brands, products, and services	SR6	
102-3	Location of headquarters	OR inside front cover	
102-4	Location of operations	SR7	
102-5	Ownership and legal form	OR inside front cover	
102-6	Markets served	OR43	
102-7	Scale of the organization	SR74	
102-8	Information on employees and other workers	SR74	
102-9	Supply chain	SR52-55	
102-10	Significant changes to the organization and its supply chain	SR64	
102-11	Precautionary Principle or approach	OR62-75	
102-12	External initiatives	SR5	
102-13	Membership of associations	SR58-59	
2. Strategy	,		
102-14	Statement from senior decision-maker	SR1, SR inside front cover	
102-15	Key impacts, risks, and opportunities	SR34	
3. Ethics a	nd Integrity		
102-16	Values, principles, standards, and norms of behavior	SR4	
102-17	Mechanisms for advice and concerns about ethics	SR36-37	
4. Governa	ince		
102-18	Governance structure	SR26	
102-20	Executive-level responsibility for economic, environmental, and social topics	SR27	

	GRI Standards Disclosure	Location (OR/SR)	External Assurance
	older Engagement		
102-40	List of stakeholder groups	SR30	
102-41	Collective bargaining agreements	SR74	
102-42	Identifying and selecting stakeholders	SR30	
102-43	Approach to stakeholder engagement	SR30	
102-44	Key topics and concerns raised	SR30	
6. Report	ng Practice		
102-45	Entities included in the consolidated financial statements	OR57-61, SR64, 77	
102-46	Defining report content and topic Boundaries	SR34	
102-47	List of material topics	SR33-34	
102-48	Restatements of information	SR64	
102-49	Changes in reporting	SR64	
102-50	Reporting period	SR64	
102-51	Date of most recent report	SR64	
102-52	Reporting cycle	SR64	
102-53	Contact point for questions regarding the report	SR64	
102-54	Claims of reporting in accordance with the GRI Standards	SR64	
102-55	GRI content index	SR78-81	
102-56	External assurance	SR82-83	

#### **GRI Content Index**

	GRI Standards Disclosure	Location (OR/SR)	External Assurance
GRI 103: I	Management Approach		
103-1	Explanation of the material topic and its Boundary	SR34	
103-2	The management approach and its components	SR36-63	
103-3	Evaluation of the management approach	SR36-63	
Economics			
Economic	Performance		
201-1	Direct economic value generated and distributed	SR12, OR02	
202-2	Proportion of senior management hired from the local community	SR74	
205-2	Communication and training about anti-corruption policies and procedures	SR36-37	
Environme	nt		
301-1	Materials used by weight or volume	SR66	
301-2	Recycled input materials used	SR66	
Energy			
302-1	Energy consumption within the organization	SR46-47, SR67	Yes
302-4	Reduction of energy consumption	SR67	
Water (201	8)		
303-1	Interactions with water as a shared resource	SR48-49, SR68-69	
303-2	Management of water discharge-related impacts	SR63	
303-3	Water withdrawal	SR68-69, SR72	Yes
303-4	Water discharge	SR68	Yes
Biodiversit	y		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas	SR50-51	
	and areas of high biodiversity value outside protected areas		
Emissions			
305-1	Direct (Scope 1) GHG emissions	SR66, SR70	Yes
305-2	Energy indirect (Scope 2) GHG emissions	SR66, SR70	Yes
305-5	Reduction of GHG emissions	SR46-47, SR66	
305-7	Nitrogen oxides (NO <sub><math>X</math></sub> ), sulfur oxides (SO <sub><math>X</math></sub> ), and other significant air emissions	SR70-71	Yes
Effluents a	nd Waste		
306-1	Water discharge by quality and destination	SR68, SR72	
306-2	Waste by type and disposal method	SR70, SR72	Yes
307-1	Non-compliance with environmental laws and regulations	SR70	

	GRI Standards Disclosure	Location (OR/SR)	External Assurance
Social			
Occupatio	nal Health and Safety (2018)		
403-1	Occupational health and safety management system	SR44-45	
403-2	Hazard identification, risk assessment and incident investigation	SR44	
403-3	Occupational health services	SR44	
403-4	Worker participation, consultation, and communication on occupational health and safety	SR45	
403-5	Worker training on occupational health and safety	SR45	
403-6	Promotion of worker health	SR44	
403-7	Prevention of worker health and safety impacts directly linked by business relationships	SR44-45	
403-8	Workers covered by an occupational health and safety management system	SR77	
403-9	Work-related injuries	SR73	Yes
403-10	Work-related ill health	SR73	Yes
Training a	nd Education		
404-1	Average hours of training per year per employee	SR74	
405-1	Diversity of governance bodies and employees	SR74	
405-2	Ratio of basic salary and remuneration of women to men	SR74	
Human Ri	ghts Assessment		
412-2	Employee training on human rights policies or procedures	SR58-59	
Local Con	munities		
413-1	Operations with local community engagement, impact assessments, and development programs	SR60-61	



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## Independent limited assurance report

To the Sustainable Development Committee of SCG Packaging Public Company Limited ("SCGP")

#### Conclusion

Based on the procedures performed, as described below, nothing has come to our attention that causes us to believe that the selected subject matters ("Subject Matters") identified below and included in the Sustainability Report 2020 (the "Report") for the year ended 31 December 2020, are not, in all material respects, prepared in compliance with the reporting criteria (the "Criteria").

#### **Our Responsibilities**

We have been engaged by SCGP and are responsible for providing a limited assurance conclusion in respect of the Subject Matters for the year ended 31 December 2020 to be included in the Report as identified below.

Our assurance engagement is conducted in accordance the International Standard on Assurance with Engagements ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information and ISAE 3410 Assurance on Greenhouse Gas Statements. These standards require the assurance team to possess the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that we plan and perform the engagement to obtain limited assurance on whether the Subject Matters are prepared, in all material respects, in compliance with the Criteria. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of for Professional Accountants (including Ethics International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have not been engaged to provide an assurance conclusion on any other information disclosed within the Report.

#### Subject Matters

Subject Matters comprised of the following data expressed numerically or in descriptive text for the year ended 31 December 2020:

- GRI 302-1 (2016) Energy consumption within the organization
- GRI 303-3 (2018) Water withdrawal
- GRI 303-4 (2018) Water discharge
- Water recycled and reused
- GRI 305-1 (2016) Direct (Scope 1) GHG emissions
- GRI 305-2 (2016) Energy indirect (Scope 2) GHG emissions
- GRI 305-7 (2016) Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and other significant air emissions
- GRI 306-2 (2016) Waste by type and disposal method
- GRI 403-9 (2018) Work related injuries
- GRI 403-10 (2018) Work-related ill health

#### Criteria

The Subject Matters were assessed according to the following criteria:

- The Sustainability Reporting Standards of the Global Reporting Initiative ("GRI Standards"): Comprehensive Option; and
- the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard issued by the World Business Council for Sustainable Development and World Resources Institute.

KPMG Phoomchai Audit Ltd., a Thai limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity,



#### Sustainable Development Committee's responsibilities

The Sustainable Development Committee of SCGP is responsible for the preparation and presentation of the Subject Matters, specifically ensuring that in all material respects the Subject Matters are prepared and presented in accordance with the Criteria. This responsibility also includes the internal controls relevant to the preparation of the Report that is free from material misstatement whether due to fraud or error.

#### **Procedures** performed

In forming our limited assurance conclusion over the Subject Matters, our procedures consisted of making enquiries and applying analytical and other evidence gathering procedures including:

- Interviews with senior management and relevant staff at corporate and operating sites;
- Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of source data into the Subject Matters;
- Inquiries about managements practices and procedures related to identifying stakeholders and their expectations, determining material sustainability matters and implementing sustainability policies and guidelines;
- Visits to 2 sites, selected on the basis of risk analysis including the consideration of both quantitative and qualitative criteria;
- Agreeing the Subject Matters to relevant underlying sources on a sample basis to determine whether all the relevant information has been included in the Subject Matters and prepared in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

#### **Inherent limitations**

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

#### Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than SCGP, for any purpose or in any other context. Any party other than SCGP who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than SCGP for our work, for this independent limited assurance report, or for the conclusions we have reached.

### KPNG PHOONCHAI ANDIT LTD.

KPMG Phoomchai Audit Ltd.

Bangkok

19 February 2021

### Pride of SCGP 2020

SCG Packaging Public Company Limited and Thai Container Group Co., Ltd. has received recognition and award from various organizations, which includes;

Global awards: WorldStar Packaging Awards 2020 from Packaging Organization (WPO) 3 awards, including

- Category Point of Sale 1 prize •
- Category Luxury Packaging 2 prizes

National award: ThaiStar Packaging Awards 2020

from the Department of Industrial Promotion Ministry of Industry, 10 awards, including

- Category Point of Purchase 4 prizes
- Category Consumer Packaging 4 prizes
- Category Eco Package 1 prize
- Category Industrial Packaging 1 prize





Honor Awards for the Oustanding Establishment of Labor Relations and Labor Welfare from the Department of Labor Protection and Welfare Ministry of Labor

- Thai Container Group Co., Ltd. (Nawanakorn), Prachinburi, Saraburi, Kamphaeng Phet, Samutprakan, Songkhla, Pathumthani, Chonburi
- Thai Container Khonkaen Co., Ltd.
- Dyna Packs Co., Ltd.
- Thai Cane Paper Public Company Limited (Prachinburi)
- Phoenix Pulp & Paper Public Company Limited





Awarded the 2020 National Excellence Safety Model Award (Gold Level) from the Ministry of Labor.

SCG Packaging Public Company Limited Awarded the National Innovation Award Product and service design of the year 2020: The innovation Detect Odor & Monitoring (DOM) From the National

Innovation Agency



Thai Cane Paper Public

Company Limited Awarded Kincentric Best Employer Awards 2020 Or Best Employer of Thailand for 2020, the award that has been operated for more than 20 years based on factors affecting the organization's sustainability through processes such as Employee Opinion Survey, Organizational Human resource management processes, Inquiring CEO's Perspective on Business Sustainability Policy, Including the consistency and business overview alignment

Thai Container Group Co., Ltd. (Songkhla) Awarded Safety Officer at the Executive level - National Excellence Awards for 2020 from Department of Labor

Protection and Welfare

Ministry of Labor.





Granted Green Industry Certificate (Green Industry) Level 4 from the Ministry of Industry.





Siam Kraft Industry Co., Ltd. (Banpong) and (Wangsala)

Awarded the Outstanding Industry Award (The Prime Minister's Industry Award 2020): the Category of Social responsibility.



(Kanchanaburi) and (Prachinburi) Won CSR-DIW

Continuous Award 2020 From the Ministry of Industry.

Thai Cane Paper Public Company Limited (Prachinburi) awarded the highest level of Green Industry Certificate: Green Industry Level 5 (Green Network) (certification number GI 5-004/2564).

Green Industry award is based on the concept of conducting the business operation in a friendly environment and striving for continuous sustainable development with social responsibility internally and externally throughout the supply chain.

# SCGP

#### SCG PACKAGING PUBLIC COMPANY LIMITED

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